The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Fundamental Principles of the New National Constitution

BY SUN FO

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J. B. POWELL, Editor and Publisher; GEO. W. MISSEMER Asst. Editor; HOH CHIH-HSIANG, Asst. Editor; TRYPHON KU, Advertising Dept.; F. K. CHAO, Business Dept.

CONTRIBUTING EDITORS

C. Y. W. MENG S. Y. LEUNG

STEPHEN WANG PAUL K. WHANG

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WASHINGTON OFFICE
J. J. Underwood—Correspondent
Colorado Building, Washington, D. C.

IMPORTANT CHANGE IN MOSCOW'S FOREIGN DIPLOMACY

LOUIS FISCHER, one of the best known foreign correspondents in Moscow, has called attention to a fundamental change in the Soviet's foreign diplomacy, which heretofore has not received much attention. In the course of an extended article on the subject which recently appeared in the *Baltimore Sun*, Mr. Fischer voiced the opinion that the Soviet's definition of an "aggressor" which appears in all of the non-aggression treaties recently signed with Turkey, Latvia, Poland, Afghanistan, Poland, Rumania and Estonia, also binds the Soviets against intervention into the political affairs of another state in support of any so-called "communist" rebellion. The definition of an aggressor which was written by Litvinoff and which appears in all of the recently signed conventions declares, "the internal condition of any state, for instance its political, economic or social system; alleged deficiencies of its administration, disorders resulting from strikes, from revolutionary or counter-revolutionary movement and from civil war" cannot be used to justify acts of aggression. According to Fischer, "this means that if there is a communist insurrection in Poland or Rumania, or a serious general strike, the Soviet Union cannot help the revolutionaries without stamping itself the 'aggressor' by its own definition...Until the foreign communists actually set up a national government in the foreign state and invite Moscow to come to their assistance, the Russians must stay within their frontiers and watch with folded arms." Bringing the question still nearer home and making it more understandable for readers of *The Review*, the application of such a clause, for example, in a non-aggression treaty between China and Russia, would make it impossible for the Soviets to lend assistance to a communist faction or regime in this country unless such a regime was actually in control of the national government of China, and then had asked Moscow for assistance. In Mr. Fischer's opinion this new tendency in Soviet foreign policy is of far-reaching significance because it records the Soviet Union's "mounting disinclination to sacrifice its interests to the cause of world revolution...the convention in effect serves notice on the communists in the neighboring states of Russia that they are hereafter to paddle their own canoes..in other words it strengthens the social status quo in Eastern Europe....which will prove to be its major contribution."

Many explanations have been offered for Russia's recent intense interest in signing the non-aggression treaties with neighboring European states—that Moscow desired peaceful conditions on the European front in order to be able to give undivided attention to the Japanese menace in Manchuria; that the Russian communists feared serious foreign complications in connection with the new developments in Germany, hence took this means of making friends of the border states, and also with France. But regardless of the reason, there is undoubted significance in the Soviet definition of "aggression" as incorporated in the various treaties. That this development is of tremendous interest in the Far East goes without saying for as outlined in the foregoing, the same definition of aggression would prevent Soviet intervention in support of a communist regime in China. The enforcement of this definition of an agggressor in the relations of Far Eastern States, also would place an effective curb on the activities of the present military-dominated Japanese Government, for according to the definition Japan would be prevented from intervening in China or elsewhere "because of the internal conditions of any state, for instance its political, economic or social system alleged deficiencies of its administration, disorders resulting from strikes, from revolutionary or counter-revolutionary movements and from civil-war," practically all of which the Japanese have cited at one time or other as justification for their present activities in Manchuria and elsewhere in China.

While there have been frequent reports that Russia was anxious to sign a non-aggression treaty with China, apparently nothing definite in this regard has developed despite frequent conferences between Chinese and Soviet diplomats since the resumption of normal diplomatic relations several months ago. Also, there have been similar reports regarding Moscow's desire to negotiate a non-aggression treaty with Tokyo, but the Japanese military party with openly-expressed designs on Russia's Far Eastern territories, particularly Vladivostok and the Maritime Province, have constantly rejected the idea of such a pact. Since there are powerful communist groups in both China and Japan, the subject discussed in Mr. Fischer's article is naturally of great interest in this part of the world. The fact that one seldom hears reports now-a-days alleging Soviet assistance to Chinese reds may be an indication that Russia is also applying her non-aggression policy in the Far East despite the fact that no treaty on the subject is in existence, or at least has not been officially announced. As a matter of fact there seems to be considerable evidence that the Chinese red armies both in Kiangsi and on the Upper Yangtsze are receiving most of their arms from Japanese sources. Some claim the arms are being supplied by Japanese communists, but others assert they are being supplied with the direct knowledge, if not connivance, of the Imperial Japanese Army as a means of weakening the Nanking Government and delaying the unification of China.

Japan Will Force Recognition of Manchukuo by North China

SEVERAL months ago General Araki, Imperial Japanese War Minister, announced that if he could not induce the Chinese National Government to recognize Japan's position in Manchukuo, he would accomplish the same end by compelling the Chinese administration in north China to establish relations with the puppet state. General Araki designated this policy as "regional" recognition and in the course of the same announcement declared that in this manner Japan would ultimately compel China to recognize and establish normal relations with the Japanese supported state of Manchukuo.

This policy of Gen. Araki, announced several months ago, apparently is approaching realization for as these lines are written two high representatives of the Tokyo Government are in Peiping conferring with Huang Fu, chairman of the Peiping Political Readjustment Committee, and Gen. Ho Ying-chin, chairman of the Peiping Military Affairs Committee. The two Japanese officials are Major-General Okamura, vice-chief-of-staff of the Kwantung Army and direct representative of the Tokyo General Staff; Y. Sugimura, former Japanese under-secretary attached to the League of Nations and now a special ambassador of the Tokyo Foreign Office, while Akira Ariyoshi, Japanese Minister to China is scheduled to proceed to Peiping shortly.

According to a report published in the *Sin Wan Pao* on October 5 the subjects now being discussed at the Sino-Japanese conversations in Peiping include the re-establishment of railway communication between Peiping-Tientsin and Manchuria with daily interchange of passenger and freight trains through Shanhaikwan, the re-establishment of postal facilities and finally the negotiation of a customs convention. A further matter under consideration is the demarcation of a boundary between north China and Manchukuo, which, according to reports in the Chinese papers will include the stationing of Chinese police or gendarmes along the line of the Great Wall. The report in the *Sin Wan Pao* contained the significant statement, "the conversations between General Huang Fu and the Japanese diplomats are bound to produce a profound effect on the future relations between China and Japan."

The conversations now proceeding in Peiping are a continuation of the Sino-Japanese discussions which were inaugurated at the time of the signing of the Tangku truce arrangement (May 31) and a further conference held somewhat later at Dairen which was participated in by representatives of the Japanese Army, the Manchukuo government, the South Manchuria Railway and Chinese military and political representatives from Peiping. Should the Japanese succeed in their present plans to force a re-establishment of relations between the Chinese military and political committee now functioning in Peiping, and Manchukuo, they hope that it will lead automatically to a recognition of Manchukuo by China generally. But whether the National Govern-

ment can or cannot be forced to recognize Manchukuo this obviously would not be of much significance if the Japanese succeeded in their present plans to establish normal relations between north China and the puppet state.

Koki Hirota, recently appointed Foreign Minister of the Tokyo Government, in an interview in the *Osaka Mainichi* (September 29) declared his intention "to gradually open regular negotiations with China, looking to a practical and concrete solution of all pending questions between the two countries. Going a step further, Japan hopes to recall the principle of 'Great Asia' propounded and advocated by the late Dr. Sun Yat-sen. In accordance with this great principle, Japan will strive in cooperation with China to establish an Asiatic Union comprising China, Japan and Manchukuo, pledging through a definite protocol, close economic and political collaboration. Of all nations of the earth, China is destined to play the most important role in the future welfare of the Japanese Empire. Therefore the utmost efforts must be made to remove all elements of friction between China and Japan, and a strong foundation must be built for hearty collaboration between the two countries.

ATTITUDE OF CHINESE PRESS

Although there has been no formal announcement from either Peiping or Nanking regarding the Sino-Japanese conversations now proceeding in Peiping, the Chinese newspapers have voiced their apprehension regarding the matter. The *China Times*, in the course of a strongly worded editorial on October 9 pointed out that Japan's present "positive" policy as formulated by the Tokyo War Office is designed to compel China to approach Japan for a compromise. "The Japanese Government is trying to secure China's recognition of the fait accompli in Manchuria and to conclude a reciprocal customs pact by promising to assist in China's reconstruction, to withdraw extraterritoriality, to invest Japanese capital in China, to purchase a large portion of the American cotton from China, to assist Gen. Chiang Kai-shek in the anti-communist campaign." Continuing, the editor of the Shanghai newspaper declared that China has lacked a definite foreign policy since the beginning of the Manchurian incident two years ago. First, China decided to appeal to the League; later it was "prolonged resistance"; then our authorities concluded an armistice and finally we decided on a policy of domestic reconstruction before talking about resistance. Now there is evidence of a further alteration in policy, exemplified in the return of Chiang Tso-ping as Minister to Tokyo, the visit of the Japanese Minister Ariyoshi to Nanking and Peiping and finally the return of Huang Fu to his office in the north. "If our Government has decided to start negotiations with Japan, such a policy conflicts fundamentally with that which was adopted after the outbreak in Manchuria. What is more, China cannot benefit from these negotiations, judging from what Japan has done in the past. The most we can expect is that the new Nanking policy constitutes a fresh phase in the history of the struggle between China and Japan. Japan is certain to take advantage of the present weakness of China in order to attain her objectives either by cajolery or intimidation. Any direct negotiations between the two countries at present will be full of dangerous potentialities so far as the interests of China are concerned."

Other papers, particularly those in the north, also had much to say about the drift of affairs. The *World Daily News* (Peiping) in commenting on the activities of Gen. Huang Fu, head of the Peiping Political Rehabilitation Committee, and particularly on Huang's recent statement that China and Japan could live in peace with each other only when both countries learned to be mutually tolerant, declared that present disturbed conditions in north China were due entirely to Japanese military activities and interference in Chinese affairs. "More than four months have elapsed since the conclusion of the Tangku armistice, but why have the financial and political situations become steadily worse? It has all been due to the aggressions of the Japanese militarists and imperialists. Who is shielding the bandits in the Luantung area? Who was responsible for the invasion of the Peiping area by the troops of Fang Chen-wu and Chi Hung-chang?" Then referring to Huang Fu's statement that Japan and China should be more tolerant of each other, the Peiping paper inquired just how China might have shown a more conciliatory spirit toward Japan? "We have tolerated the occupation of the northeastern provinces and Jehol. We have tolerated the enslavement of 30,000,000 Chinese and the airbombing of villages and towns, the killing of thousands of soldiers and civilians by Japanese gunfire. If this isn't sufficient toleration, we wish Gen. Huang would explain what is meant by a 'tolerant spirit.' Apparently Gen. Huang believes that China should prove her tolerance by becoming a protectorate of Japan. Gen. Huang initiated the negotiations which led to the signing of the Tangku truce which provided for the retrocession of the Luangung area, but the retrocession was more apparent than real. Banditry is rife and the Japanese are blocking the entry of Chinese troops to clear out the bandits. Then we find Japan protesting T. V. Soong's negotiation of the $50,000,000 cotton and wheat loan and more recently we even find Japan protesting against a speech by Dr. Wellington Koo before the League. This shows Japan will be satisfied with nothing short of the subjugation of China. If Gen. Huang really desires to terminate the Sino-Japanese impasse, he should work for the abrogation of the Tangku agreement which hangs around China's neck like a millstone. It has not provided even temporary security.

The *Central China Daily News* (Shanghai) in referring to the possibility of a Sino-Japanese conference declared, "It is true that the relations between China and Japan must be regularized. But China surely will not give away her territory in return for Japan's friendship. The military occupation of Manchuria is the chief cause of the present deplorable relations between the two countries. Therefore, if Japan desires to improve relations, she must remove the cause of the impasse. It is impossible to talk about Sino-Japanese friendship until China's territory has been restored by Japan....Japan never can use the relinquishment of extrerritoriality as a bait in exchange for greater interests nor could China forget her humiliation by some meaningless manifestation of goodwill on the part of Japan.. ..As for Japan's offer of help in China's recon-

struction, this cannot be considered so long as it is offered as an exchange for some special interest in this country. China accepted the wheat loan from America, but the United States did not demand the acquisition of certain special privileges in this country....We fail to see any change in Japan's policy toward China, hence Japan's plan to improve relations with China is nothing but a dream unsupported by any realities."

The *Peiping Morning Post* (October 5) declared that Japan never has ceased her military pressure against China since the signing of the Tangku armistice and Foreign Minister Hirota's statement that he intended to break the diplomatic deadlock meant in plain language that he intended to cajole China into signing away her birthright. In reference to Japan's present critical status internationally, the Peiping paper said that the armament race between Japan, United States and Britain would continue so long as the Manchurian question is not rationally settled... But the Japanese have continued their aggression and in consequence the international situation has become worse. What has happened recently is that the Japanese have merely decided, for reasons concerned with the international situation to temporarily slacken their pace. Unfortunately this has been misinterpreted by our Government, some officials of which apparently believe they may now enjoy a temporary security.

FIGHTING STOPS IN NORTH

Although the rebel commander Fang Chen-wu is still entrenched in the vicinity of Tangshan, about 20 miles north of Peiping, there has been no further fighting between his forces and the Government troops at Peiping since October 8. On the following day, October 9, Gen. Fang sent a representative to Peiping to interview Gen. Ho Ying-chin with the object of arranging an armistice. Reports in the Chinese papers stated that Fang had agreed to surrender if Nanking would advance him $100,000 for the payment of his troops, or permit him to withdraw to Chahar province and settle down on the border of that area. Other reports, however, said that Fang and his ally, Gen. Chi Hung-chang, intended to continue their thrust toward Peiping. As a result the Government troops are continuing their vigilance with detachments on guard at Kaoliying, Tunglankow, Silankow and Mafang and an entire division stationed at Tangshan and Mingling. Artillery detachments also are stationed at Liangsiang and Wangshan, hence in view of the Government's superior numbers and equipment there appears little likelihood of Fang's being able to escape from the demilitarized zone.

The Japanese troops which participated in the suppression of the Fang rebellion are still concentrated at the town of Miyun, about 50 miles northeast of Peiping, but according to a report issued by *Rengo* on October 8, the Japanese troops have begun to withdraw to the Japanese camp at Hupeikow pass in the Great Wall.

According to a report in the Hongkong newspapers, Gen. Fang Chen-wu has sent a representative to Canton named Chu Chin-hsin, who told the Canton authorities that Gen. Fang's object was to drive the Japanese from the demilitarized zone and that Fang had occupied the town of Huaijao in order to use it as a base for his activities against the Japanese. Gen. Fang had no intention of attacking Peiping.

The Soviet official *Tass* news service, in a report from Moscow on October 8 dealing with the situation in north China said that the Japanese army had been prevented from occupying Peiping and Tientsin last spring due to the opposition of the American and British "imperialists," hence the Japanese had adopted the subterfuge of using the troops of Fang Chen-wu and Chi Hung-chang as vanguards of the Imperial Japanese Army. "Having restored and consolidated the numerous political groups in Peiping and Tientsin, the Japanese imperialists are using them now for the political reorganization of north China."

The Christian General, Feng Yu-hsiang, whose activities in Chahar province several weeks ago were responsible for the renewed complications in north China and who then suddenly retired from the scene, is now residing in peace and safety on Mount Taishan in Shantung province. In an interview in the *China Times* on Oct. 2 he said the situation in north China has become so serious and complicated that the territory probably will be completely under Japanese rule in another year. "The Japanese are now able to take what they want in China."

Later reports from Peiping on Tuesday evening, Oct. 10 stated that the negotiations between Fang and Gen. Ho Ying-chin apparently had broken down and serious fighting in the vicinity of Tangshan had again broken out.

MORE BANDITS IN LUANTUNG

Reports from Tientsin on Tuesday, Oct. 10, stated that a further gang of bandits, allegedly larger than the force of "Big Rat" Lao Hao-tze, had entered the area through a pass in the Great Wall from Manchukuo and was advancing on Changli. The forces of Lao Hao-tze, which had been attacking Changli, located on the railway to the northeast of Tientsin, were defeated by the Chinese gendarmes on Oct. 6 according to reports in the Chinese newspapers. Various other towns in the area however, have been captured and pillaged by the outlaws. In the meantime the negotiations between the Government commanders at Peiping and Tientsin and the Japanese is still dragging on, the Japanese still refusing permission for the Chinese to send reinforcements into the area. Gen. Yu Hsueh-chung, governor of Hopei province and defence commissioner at Tientsin, in an interview circulated by *Reuters* on Oct. 9 stated that unless the Chinese were permitted to send police reinforcements into the area that railway traffic shortly would be disrupted. A message from Peiping in the *Sin Wan Pao* on Oct. 8 stated that the Japanese military authorities at Tientsin and Peiping had informed the Chinese that the various questions pertaining to the stationing of Japanese troops along the Great Wall as well as the matter of sending Chinese police reinforcements into the demilitarized zone would have to await the pending conference between the Chinese and Japanese military officials in Peiping. It was claimed that the Japanese Suzuki brigade which had been stationed at Shanhaikwan was beginning to withdraw to Chinchow in southern Fengtien province.

A report in the *China Times* on Oct. 6 alleged that Manchukuo spies under the direction of Cheng Yen-hou, head of the Manchukuo "secret-service" had entered Shanhaikwan and had become active throughout the Luantung area and the demilitarized zone. The Chinese magistrates in the area claimed they could not interfere with the activities of the spies as they were receiving Japanese protection.

The city of Funing, located in the Luantung area was compelled to pay a subsidy of $27,000 monthly to the bandit leader Lao Hao-tze in order to save the town from pillage.

On October 6 an airplane bearing a Manchukuo flag landed at Peiping carrying a Colonel Kita of the Japanese Army who conferred for a considerable time with Gen. Ho Ying-chin, following which Col. Kita went to Shanhaikwan, his object being to discuss the banditry situation in the Luantung area. The results of the conference were not disclosed.

No Settlement of Shanghai Power Co. Strike in Sight

There is so far no settlement in sight of the strike of about 1500 employees of the Shanghai Power Company where a dispute has arisen over certain dismissals and the incidental refusal of the Company to pay retirement allowances. The striking employees allege that it is the proposed policy of the Company to do away with these allowances. The Power Company in a recent statement pointed out inaccuracies in allegations made by the employees. No settlement of the strike is in sight. The electricity service is being maintained uninterrupted. Some of the clerical staff have joined the strike.

British Labor Party Turns to Socialism, Rejects Communism

The British Labor Party Conference at Hastings Oct. 7 adopted the Socialist standard. A proposal for sympathetic cooperation with the Communists was rejected, but another advocating closer relations with Russia was adopted. A motion for immediate self-determination of the peoples of India was carried with acclamation.

Chinese Bankers and the Pending Chinese-Japanese Negotiations

A FEW weeks ago a well known Chinese banker made a trip to Tokyo and that started a discussion in the Japanese newspapers which has continued without cessation to the present, the Japanese publicists and politicians arguing that the Chinese banking situation constitutes a "weak-link" in China's defence armor. Hence the best way for Japan to undermine China's present anti-Japanese "front" is for Japan to devote her chief attention to the Chinese bankers, who, if one would believe the Japanese publicists, are much more interested in profits than they are in patriotic movements, particularly patriotic movements which interfere with Japanese trade in China from which certain Chinese bankers allegedly derived handsome profits.

Although the Chinese banker who made the trip to Tokyo has strenuously and repeatedly denied the allegations in the Japanese press that his object was to induce the Japanese to purchase a portion of the $50,000,000 worth of American cotton which the Chinese Government contracted to buy from the Reconstruction Finance Corporation, the Japanese newspapers have continued to analyze the Chinese banking situation at Shanghai, one important paper the *Osaka Mainichi* going to the extent of of sending a special correspondent to Shanghai to interview members of the so-called Chekiang financial group. In his extended analysis of the Chinese banking situation at Shanghai, Katsuaki Nagaoka, special correspondent of the *Mainichi*, said that Shanghai is the stronghold of the so-called Chekiang "financial clique" which finances the Nanking Government, hence this group of Chinese bankers exercises an important influence on Sino-Japanese relations. It was this group that supplied the war funds of the national revolutionary army in its expedition to north China and also financed the national army in the Manchurian and Shanghai emergencies. It is now backing T. V. Soong, who is strongly opposed to Japan. Continuing, the article said that the Chinese bankers do not have a complete system such as that possessed by the Mitsuis, Mitsubisi and Sumitomo interests in Japan which finance productive enterprises. The Chekiang clique which controls most of the leading Chinese banks at Shanghai, does, however, control the cotton spinning and silk industries and is influential in Chinese shipping. It was this group which was responsible in 1927 in causing the Kuomintang Party to turn from "leftist" doctrines in favor of capitalism and for a considerable time it completely swayed nationalist politics. Finances supplied by this group enabled Gen. Chiang Kai-shek to overthrow the northern warlords and subjugate the Kwangsi clique in the south. However, the growth of communism, necessitating more and more financial advances to the Nanking Government, has been responsible for a reversal of the situation so that today, the Chekiang banking group, instead of dominating the Nanking government, is itself dominated by the Government. This tendency has been most noticeable since the beginning of the Sino-Japanese complications in September, 1931. This situation came about through the lending of too much money to the Government, declared the Japanese writer, who said that the Chinese bankers in acordance with their plans to bring about a "capitalistic revolution" over-reached themselves. The result was that a large portion of their capital is tied up in government bonds, thus giving the government leaders the predominant control. And since the gain in influence on the part of the communists and the enlargement of their spheres constitute a menace to capitalism in China it has combined to create a situation in which the fortunes of the Chinese bankers are inextricably involved in the fortunes of the National Government. This means that the leaders of the Nanking Government, particularly Gen. Chiang Kai-shek and T. V. Soong, finance minister, have absolute control of the banking situation because a relaxation of their efforts against the communists might result in a complete collapse of Chinese capitalism which is largely concentrated at Shanghai. The writer of the article in the *Mainichi* then came to the significant point which may, or may not have a bearing on the allegedly impending Sino-Japanese negotiations,

"Since the Chinese financial group is still in a more or less embryonic stage, it naturally has many defects. If Japan wants to counteract the anti-Japanese pressure now prevailing in China, the defects in the Chinese financial organ provides a big opening of which Japan must take advantage. It is vital that Japan should take steps to bring about a favorable change in Sino-Japanese relations, . . .hence it is worthwhile for Japan to study the Chinese financial situation carefully." The writer of the article admitted, however, that prospects do not appear very favorable, for although the bankers often seek profits in disregard of their country's political relations, the prevailing opinion among the Shanghai bankers, while favorable to a Sino-Japanese rapprochement, on the other hand regard the restoration of normal diplomatic relations as "absolutely impossible with the Manchurian question as it is. . .They hold that the Manchurian question cannot be solved from the viewpoint of business alone." What was meant by this statement was not explained, but other recent reports in the Japanese newspapers have stated that influential Japanese financiers have recently been in Shanghai conferring with Chinese bankers regarding a proposal for forming a joint Sino-Japanese corporation or financial organ for the purpose of re-establishing trade relations between Shanghai and Manchukuo. The same issue of the *Mainichi* referred to in the foregoing also contained several references to the American cotton and wheat loan which was negotiated by T. V. Soong and forecasted failure on the part of the National Government to swing the deal without help from the Japanese financiers and cotton industrialists.

The fact that the Japanese are now paying close attention to the Chinese financial situation and particularly to the Shanghai banking situation with the object of applying pressure for

the purpose of forcing the National Government to adopt more moderate policies is naturally of considerable significance in view of rumors that are now in circulation that Sino-Japanese negotiations are shortly to be inaugurated in Peiping for the purpose of adjusting the Manchurian crisis. Among the rumors in this connection have been reports that Japan will offer to relinquish exterritoriality; that Japan will offer Nanking a large loan in exchange for a reduction in Chinese customs duties on Japanese cotton goods combined with a reversal of the recent Nanking order requiring all imported goods to contain marks showing country of origin. Also there have been reports in circulation that certain Japanese politicians have been in China conferring with Chinese leaders and have informed the Chinese that a discontinuance of the anti-Japanese boycott would strengthen the liberal and industrial-political elements in Japan and thus enable them to overcome the military clique which is now in control of the Japanese Government.

According to reports which have appeared in the *Japan Advertiser* (Tokyo) and the *Japan Chronicle* (Kobe) most of these moves looking to a re-establishment of normal relations between Japan and China have developed since the appointment of Koki Hirota as Foreign Minister, hence are to be designated as an outcome of his widely advertised "direct" policy. One of the leading Japanese newspapers, the *Nichi-Nichi*, said that Hirota's first proposal would be the conclusion of a "protocol" between China and Japan similar to the present Japan-Manchukuo proposal, whereby Japan would be given the right to station troops in China for "national defence" purposes in accordance with the so-called "Pan-Asiatic Doctrine," otherwise Asia for the Asiatics. This more or less confirms the reports in the newspapers immediately following Hirota's appointment, that Hirota will be even more of a tool of the Tokyo military clique than was his predecessor, the aged Count Uchida. However, since the Tokyo military clique is now involved in serious complications with both Soviet Russia and the United States, it is anxious to patch up relations with China by offering China certain inducements that might have the effect of breaking down Chinese resistance on the Manchurian issue. A chief Japanese object, of course, is the elimination of the Chinese boycott against Japanese goods, because the enforcement of anti-dumping tariffs against Japanese goods in more than thirty foreign countries has created serious political discontent in Japanese industrial circles which are finding their markets more and more restricted; hence they desire to again re-open the Chinese market as an outlet for Japanese goods. The Japanese military clique, however, has no intention whatever of relinquishing its position in Manchuria; but it is now faced with a situation which makes it highly desirable for Japan to again cultivate friendly relations with China. Another Japanese newspaper, the *Hochi*, after commenting on the present disturbed relations between Japan and Russia and Japan and the United States, commented to the following effect on the China situation.

"China inclines to a policy of prolonged resistance to Japan, and it is obvious that unless the present deadlock in Sino-Japanese relations is broken, the establishment of peace in the Far East is impossible. It is not statesmanship to wait idly for the improvement of this situation. Mr. Hirota, the new Foreign Minister, is charged with the weighty mission of solving the difficult problems crowding upon Japan in international relations. Mere harmony between the Foreign Office and the army and the navy is not what the nation is looking for. The nation expects him to do something more fundamental. For instance, small merchants and industrialists, farmers and laborers unanimously desire to be relieved of the pressure of depression by a foreign policy which takes special account of the improvement of the country's trade interests. In order to make all classes bask in the favors of the State administration, the present economic difficulty must, above all things, be alleviated. When, therefore, Mr. Hirota, in a public announcement, declared his intention to attach a special importance to the development of the country's foreign trade, he raised high hopes in the public mind. He must act faithfully upon this pronouncement. The 'economisation' of the foreign policy is most important for restoring Sino-Japanese relations into the normal channels also.

"Mr. Hirota, the Foreign Minister, is determined to devote his whole energy to the improvement of Sino-Japanese relations. Since his assumption of the portfolio of Foreign Affairs, he has been hearing the views of many authorities as a preliminary to the shaping of his policy. Quite recently, he interviewed the military and naval leaders, such as General Araki, Minister for War, Admiral Osumi, Minister of the Navy, General Ueda, Vice-Chief of the Army General Staff, and Admiral Takahashi, Vice-Chief of the Naval General Staff. At these interviews, the Foreign Minister emphasised the close and inseparable connection between the national problem and foreign policy, and after hearing their views on the national defence problem, he stated his views on foreign policy.

"As the result of his consultations with many quarters the new Foreign Minister has formed a strong resolution to better Japan's relations with China, to begin with. He attributes the none too friendly relations with America and Russia, to say nothing of the demoralisation of Anglo-Japanese commercial relations, mainly and fundamentally to the present impasse in Sino-Japanese relationships. As the essential requisite for the general improvement of Japan's diplomatic position, therefore, he desires to direct his first attention to the betterment of the present deplorable state of relations with China. He is encouraged in his projected policy by the fact China's policy towards Japan after the recent Lushan Conference gives promise of some change for the better."

Referring again to the Japanese analysis of the Chinese banking situation and the Japanese suggestion that certain weak points therein may offer Japan an opportunity to undermine China's front on the Japanese issue, there is no question but what certain Chinese bankers at Shanghai do exercise considerable influence on Governmental policy. It is a mistake however, to assume that this influence is fundamental, because Chinese banking is not highly centralized as it is in Japan and certain European countries. Also, the Japanese were mistaken when they gave the Shanghan bankers credit for financing the Nationalist revolution. The Nationalist or Kuomintang revolution which swept northward from Canton in 1926-1927 was financed almost entirely from Canton, there being ample recent proof of this statement in recent demands from Canton that the Nanking Government refund to Canton the considerable sum of $190,000,000 which Canton put up for the movement. Chinese bankers at Shanghai did not enter the picture to any great extent until after the revolutionary movement had reached he Yangtsze Valley when they did join in and finance the "right-wing" Kuomintang movement which was established by General Chiang Kai-shek at Nanking in 1927. It was their support to Nanking which caused the "left-

wing" or radical Kuomintang regime at Hankow to collapse. Shanghai then financed Nanking against Peiping and ultimately caused the collapse of the north China or Peiping-Tientsin banking clique which had financed the old regimes in north China almost continuously since the 1911 revolution. In a sense Chinese bankers have always had much to do with civil wars and revolutions in China. During the days of the Manchu Empire it was the old Shansi banking group that financed Peking rulers, but they collapsed and passed out of the picture along with the empire in 1911. If the Japanese think they might control China through intrigue with Shanghai bankers, they probably would wake up to discover that they merely had provided ammunition for some other Chinese banking group to step in and turn the whole show upside down as has happened so often in the past. At the present time there are some 180 Chinese banks in Shanghai, but most of them are small and they are not well organized. In addition there are 37 foreign banks of various nationalities and they likewise are not organized as a unit.

Japanese Carefully Watch Indian Negotiations; Fail to Agree on National Defense Policy

THE announcement was made in Tokyo last week that Japan had now passed England as the principal cotton goods export nation of the world. The claim was based on quantity of yards exported, and, as the bulk of Japan's exports are of a comparatively low quality, the same claim could not be made on a value basis. However, this eminence of the Japanese cotton export trade has been reached despite duties recently imposed with the evident intention of penalizing Japanese goods not only in various parts of the British Empire but in the Straits Settlements, and a more or less persistent boycott in various parts of China, particularly in the South. The extent to which the Manchester industry has been hit—not so much by the general depression but by Japanese competition—is probably not generally realized. Many former large cotton export houses in Manchester—a large proportion of which were founded by emigrant Jews from Germany—now stand silent as the grave. For the moment the Japanese cotton trade has its eyes firmly riveted on India where a Conference is in progress between British, Indian and Japanese delegates with a view to arriving at terms for a new commercial treaty. Although the Japanese telegrams persistently speak pessimistically of the eventual results, time seems to be playing into Japanese hands. Already the Japanese have secured a concession to the effect that pending the conclusion of the Simla conference, the terms of the old treaty are to be continued. In the meantime the Japanese are bending every effort to arouse the latent animosities of the Indian people against the British Government. Although the Japanese police relentlessly crush every agitation in Japan when it is directed against conditions within the country itself they freely allow the Indian representatives in Japan to carry on agitation against the British and as far as one can judge not only encourage the agitation, but take particular care to see that news of the agitation there is broadcast throughout the world. The Japanese papers report at great length the fact that a movement has been launched by Indians residing in Japan to send a Japanese people's envoy to India to shake hands with Mahatma Gandhi. One Jisaku Imakita is the Indians' choice for the mission. A particular point made in the Japanese press that the sending of this envoy coincides with the Indo-Japanese trade conference at Simla. G. N. Das of *India and the World* in Calcutta, A. L. Dat, who is studying industrial technology in Osaka, A. N. Sahay, General Secretary of the Indian Association in Kobe, and several compatriots engaged in trade, are stated to have urged Mr. Imakita to assume the mission. The announced object of this unofficial Japanese ambassador is "to promote a closer affinity between the two peoplse apart from political and economic angles."

The Japanese press in the meantime discusses the Indian situation with provocative candor. The *Japan Times* of Sept. 30 quoted "certain quarters" as believing that the Indian Government's scheme for regaining diplomatic authority and the precarious position of the British rule in India were the two factors that lay behind the apparent conciliatory attitude of the British Government in regard to the one month extension of the existing Indo-Jananese trade convention. A point is made also in the Japanese press that the Anglo-Indian pourparlers in Bombay on the eve of the Simla Conference ended in utter failure, and that the failure of the parley was not caused simply by the economic relations between Great Britain and India, but by political reasons. In the meantime the Japanese are handling the situation in the Netherlands East Indies on the theory that it would not be to the interest of Japan to hold a parley with the Netherlands as any such discussions would be steered by maneuverings by Britain behind the scenes. The Japanese look on the situation in the Netherlands East Indies, (their next best market after India), with considerable optimism. Conditions in that country greatly differ from those in British India, as the farmers there (as the *Asahi* points out) have "voice." The new import restriction law for which the protection of domestic industry is given as the major reason, is calculated (as the Japanese constantly point out) to benefit the home country, not the Netherland East Indies themselves, so that even if the local Netherlands Government had the authority to invoke legislation having as its avowed object to discriminate against Japanese goods, it would find it difficult to do so.

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As regards Japan's internal politics, the principal point turns on what is known as a "Unified Policy for National Defense." Linked up with this there is, naturally, the matter of diplomacy with foreign nations. Various conferences were held during the week between the War Minister, General Araki, and the Navy Minister, Admiral Osumi on the one hand, and the Foreign Minister, Mr. Hirota, and the Finance Minister, Mr. Takahashi, on the other. The Japanese telegrams reported considerable divergence of opinion in the Cabinet fold. The Ministers were scheduled to hold a "final" conference October 20, but in view of the possibility that no definite decision would be reached, the Ministers will probably leave the matter in abeyance until after the conclusion of the Special Military Maneuvers.

At a meeting of the Cabinet in executive session October 3 the Minister of War gave a detailed explanation of the army's national defense program vis-a-vis the changing international situation, the Far Eastern policy of the Soviets, the "three-year aviation plan of China" and Japan's treaty obligation to safeguard the national defense of Manchukuo. In addition the Minister of the Navy is stated to have explained Japan's naval replenishment program in relation to the Washington and London treaties, which lapse in 1936, and also to the American naval building program. The Foreign Minister is said to have expressed his views on the new international situation which will arise in 1935, when Japan's withdrawal from the League of Nations becomes effective, laying emphasis on Japan's relationship with America and Russia. The Minister of Finance is reported to have urged the necessity of co-ordinating Japan's foreign policy and her national defense program harmoniously.

Japan Passes Britain in Quantity of Cotton Goods Exported

Japan is now the world's greatest exporter of cotton goods, according to figures recently published in Tokyo. Comparative trade statistics for the eight months from January to August show that Japan exported 1,392,000,000 square yards of cotton cloth, which was 6,000,000 square yards more than was exported by Great Britain.

Comparative figures for the past five years are as follows:

	Japan	*Great Britain*
1932	2,031,000,000 square yards	2,189,000 000
1931	1,413,000,000	1,716,000,000
1930	1,571,000,000	2,406,000,000
1929	1,790,000,000	3,671,000,000
1928	1,418,000,000	3,866,000,000

The above comparison is on a quantity basis. On a value basis Britain still leads.

Viscount Ishii, who represented Japan at the World Economic Conference in London, on his return to Tokyo Oct. 6, expressed the belief that America and Japan would never fight, declaring that America would "not be silly enough to follow the path to destruction taken by the Russian Fleet in 1905." He intimated that America and Japan should not allow Europe to embroil them as what Europe was after was to capture the large trade which both America and Japan at present have in the Far East.

The population of Japan Proper is increasing at the rate of 150 hourly, or 1,000,000 annually, according to figures published by the Tokyo Statistics Bureau. Last year's increase was 1,007,398.

A Bradford (England) woolen mill proprietor is pressing the British Government to order Australia to ship its wool to England in the first instance so that Japanese purchasers would not be able to buy direct. The growth of the Japanese woolen industry is looked on with dismay by the British woolen industry.

The Government of Siam, effective from September 21, raised the tariff on the import of cement to 11.30 ticals from 9 ticals per ton. This is a severe blow to Japan, as her cement exports to Siam have been steadily increasing of late.

Japan's foreign trade during September was as follows: Exports, Yen 181,713,000; Imports, Yen 135,457,000; favorable balance, Yen 44,256,000.

A conference of officials and traders closely related to Japan's trade with South America was due to be held in Tokyo during this week.

The Canton Provincial Bank has asked the Japanese Police to hunt for Yang Pi-ta, a clerk who absconded with $208,391 of the Bank's money recently and who is believed to be hiding in Japan.

The Personnel Bureau of the Japanese War Office is giving consideration to a "shake-up" of army officers scheduled to take place in December. It is understood that among the important promotions will be those of Lieutenant-General Araki, War Minister, and Lieutenant-General Matsui, Commander-in-chief of the Japanese Formosan Army, who will be made full generals.

The Cabinet Council has decided to form a tank regiment as an addition to the Japanese Army.

Cabinet Council is sponsoring the issue of an Imperial Ordinance, prohibiting the importation into Japan of rice and cereals from abroad. The prohibition will be effective as from October 20 next for Japan, Chosen (Korea) and Formosa, alike.

War Minister General Araki has proposed to Premier Saito and Finance Minister Takahashi the purchase by the Government from farmers the surplus new rice crop (the quantity that will exceed the total harvest last year.) According to General Araki's opinion, it is understood that the excess in the harvest of the present autumn will be somewhere about 39,703,200 bushels and, if it be left in the granaries of farmers, it will be a menace to farmers, whose soldarity has much to do with the national defense.

An Osaka message dated Oct. 10 stated that a sensation had recently been created among trading circles in said city by the reception of a report from Australia that the Commonwealth has decided upon the reduction of the Imperial preferential tariffs in favor of the British goods and also the application of the exchange dumping tax on depreciated currencies. Later messages revealed that the Commonwealth Government was considering to make an exception in the case of Japanese commodities in the application of the above measures in view of the opposition voiced by wool dealers and other merchants dealing in Japanese commodities in that country. Wool purchases in Australia by Japan loom large in Australia's export trade.

Next Year's Military Expenditure—Yen 620,000,000

Although the negotiations are being kept strictly secret, there are indications that next year's military expenditures will reach nearly Yen 620,000,000. The national defense program, as War Minister Araki sees it, makes it absolutely indispensable for the War Office to obtain enough funds for the following preparations:

(1.)—A Manchurian emergency fund for the maintenance and augmentation of the Japanese troops stationed in Manchuria.

(2.)—A fund for strategy and war supplies to stabilize the foundation of Manchukuo.

The two items mentioned above constitute the nuclei of the next military budget. As the "peace and order campaign" in Manchukuo approches its completion, the army is simultaneously contemplating a phenomental change in its national defense policy; that is, the army is changing from emergency measures to permanent preparations.

The Control of "Thought"

The *Japan Chronicle* recently stated that lately there have been signs of the Japanese authorities realizing that "Rightists" are more dangerous than "Leftists." They have, at least, a great many more murders to their account. In fact they have a monopoly in political assassination. Of course, the difference in the attitude of the authorities towards the two branches of "thought," or perhaps it would be more correct to say the preferring of thought to action, can be understood easily enough. The numerous conversions of Communists lately reported, and their swinging over to Nationalism, can be interpreted as merely taking on a protective coloring, their views, in all probability, being much the same as ever regarding the rights of property and the aspirations of the people.

Details of the round-up of 84 radicals in Kyoto on June 20 were revealed last week by the lifting of the press ban. Of the total, legal proceedings against 16 have been instituted. The arrests occurred in connection with the municipal assembly election and the Takigawa case in the first half of the year. The prisoners include two faculty members of Doshisha University, students of the same institution and also some from Kyoto Imperial University. Members of the Communist party and of the "Zenkyo" that had come to the capital from Osaka and other cities, are also included.

Osaka Judge Retires Because of "Red" Son

Chief Judge Kojiro Maseawa of the Osaka District was ordered to retire on September 27, his status being elevated to that of Procurator of the Supreme Court. The Chief Judge recently tendered his resignation to Chief Judge Tanida of the Osaka Court of Appeals, holding himself responsible for the fact that his eldest son Masao is involved in red movements. The Appellate Court Chief, in view of the delicacy of the reason given

as his desire to retire, went to Tokyo to consult his superiors in the Justice Office. The latter decided to dispense with the judge's services in accordance with his wishes. His eldest son Masao, while studying in Tokyo Imperial University, was tried last year by the Tokyo District Court on a charge of being involved in the Japan Communist affair, but was granted stay of arraignment. He was again rounded up recently by the Metropolitan Police Board for being involved in the cellular movements of the Reds.

"God Sent Troops" Conspiracy Financed with Stolen Money

The so-called "God-Sent Troops" conspiracy, which aimed at the overthrow of the Government through assassination and incendiarism, expanded September 30 as new developments attended the arrest of Lieutenant-Colonel Tetsutaro Yasuda of the Army reserve list, who had been the object of police and gendarmerie search for several days previously. It was claimed by the police that the conspirators planned to storm a Cabinet meeting at 11 o'clock on the morning of July 11, kill all Ministers of State and then set fire to various parts of the city to create a reign of terror and cause a complete government revolution. The police allege that a large part of Yen. 3,000,000 which Hikoichi Naito is accused of stealing from various sources as managing director of the Matsuya Department Store went to the conspirators in exchange for advance information which Naito intended to use in speculation.

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The propositions and counter-propositions made at the fourth sitting of the Indo-Japanese trade parley Oct. 3 have complicated the whole aspect of the negotiations in Simla. Side by side with the progress of the formal negotiations a consultative parley between unofficial business and industrial representatives between India and Japan is taking place.

The Indian delegates to the Indo-Japanese trade parley have asked what steps Japan is going to take in order to rescind the non-purchase movement of Indian cotton.

According to Japanese advices Sir Joseph Bhore, Indian chief representative of the Simla negotiations, is in favor of holding future meetings at New Delhi.

Matsushiro Fujii and Saburo Ono, Japanese rayon industrialists, departed from Kobe for Simla Oct. 5 to participate in the Indo-Japanese trade negotiations now in session in Simla.

Japanese Want No Parley With Netherlands

The Dutch East Indies Government's application of the import quota system to tide over the emergency period will probably lead to cotton competition among Japan, Britain, Netherlands and the Dutch East Indies. The Netherlands Government recently proposed to Japan to open a trade conference of cotton men of both countries in order to reach a marketing agreement regarding exports to the Dutch East Indies.

Japanese cotton spinners are cautious in view of the fact that the Dutch East Indies market is very important for the Japanese cotton industry, being the largest outlet for Japanese goods, outside of British India. The Dutch East Indies Government's tariff policy has been watched with keen interest. Cotton goods exports from various countries to the Dutch East Indies in 1932 are shown in the following table:

Exporting Country	Quantity		Value
Japan..	Yards 305,690,000	Guilders	30,380,000
Netherlands	62,655,000		10,266,000
Britain.....	38,160,000		6,277,000
British India..	7,745,000		1,143,000
Switzerland..	4,978,000		830,000
Miscellaneous..	2,846,000		359,000
Total.....	422,074,000		49,255,000

Companies With Foreign Capital Not Allowed To Buy Property in Interior of China

On the basis of the Ministry of Interior's ruling that foreign firms cannot purchase land in the interior of China, the Ministry of Industry has replied to the Kiangsu provincial government instructing the latter not to sanction purchase of land in the interior of Kiangsu by the Maochang Company, which is reported to be partly financed by foreign capital.

Fukien Troops Oust Reds from North-West of Province

The provincial troops of Fukien have succeeded in ousting the Communists from Taining, Chienning and Shunchang, in North-western Fukien. The Communists started a general retreat from Taining on Oct. 2 and are now falling back in the direction of Kiangsi.

In view of the collapse of the "Reds" in northern Fukien, General Tsai Ting-kai, Commander of the 19th Route Army, has returned to Foochow from Yenping. The scattered outlaws north-west of Shaowu, northwestern Fukien, have been completely liquidated. The Government forces are launching a joint attack on Taining, western Fukien. Government airplanes are observing the activities of the brigands at Taining.

Having failed in their second attack on Yenping, the communists have retired to the north, and are proceeding to Tailing, in north-west Fukien near Kiangsi.

General Chiang Kai-shek has issued a circular order instructing that the Communists in Kiangsi and elsewhere should from now on be called "bandits" instead of the "Red Army."

General Chiang Kai-shek has instructed the Kiangsi Bureau of Food Control to assist the farmers by raising the price at which it buys their rice in the local markets. Any loss in trading which may result will be borne by the central government. The Bureau of Food Control at Nanchang was established by Professor Hsiao Shunping on the initiative of Governor Hsiung Shih-lin to help the farmers of Kiangsi. This measure has been invoked as part of the campaign against the Communists.

According to messages received from Nanchang, merchants in that vicinity have been smuggling large quantities of salt in bamboo sticks, sealed up with mud; also by melting the salt in pure water and then pouring in some ginger juice, this giving a yellowish color. This smuggling has helped the Communists in some degree to evade the economic blockade.

Economic Blockade Against Reds

The Kiangsi authorities in enforcing the economic blockade against the Communist regions in said province, have divided it into four parts: the red area, the semi-red area, the adjacent red area and the safety zone. By the first is meant the districts under complete Communist control; the second are the districts often menaced by the Communists but not under actual Red occupation; the third are the districts bordering the Red area while the last mentioned are the places free from the Red menace. According to the arrangements made, the blockade applies to military weapons, articles which are capable of making weapons, wireless equipment, gasoline, and daily necessities such as rice, salt and oil. The importation of these articles into the Red area is absolutely prohibited.

Father Duffy, of the St. Columban Mission in Nanfeng, last week passed through the second siege by Communists that he has witnessed this year. Father Duffy speaks with a strong Irish brogue and keeps a case of beer for the few travellers who pass his way in said Kiangsi town.

Liangfang, in the Lienhua district, western Kiangsi, has been recaptured by the Hunan units. The bandits under Li Tien-chu have been routed.

The report that the bandit leader, "Chang, the Big Nose" was killed in a recent engagement with the Government troops proves untrue. "Big Nose," with about a thousand followers, at last reports was 25 miles from Pukow.

A recent telegram from Major Yang, of the 3rd Regiment of the Chekiang provincial peace preservation units, reported that 500 bandits, after occuppying Hsuchiatun, in Kaihua district, western Chekiang, attempted to invade Wangfan, but were routed by his units in a four hours' battle.

Wuyuan, a city on the Kiangsi-Anhuei border, was captured by bandits during the latter part of September. The magistrate is missing.

That the Communist troops are well equipped with arms and ammunition has been made evident from the number of guns and rifles captured from them by the Government troops on the Hupeh-Honan-Anhuei border during the recent campaign, a recent Hankow message to the *Shun Pao* stated.

Several thousand Salt Gabelle troops, all Henanese, are among those who will participate in General Chiang's anti-Red drive.

Communist Situation Becomes Worse in Northern Szechuen

Mail advices from Chungking state that the Communist situation in Northern Szechuen is going from bad to worse in spite of official reports to the contrary.

Latest reports state that the Communists have captured Suiting, an important center seventy miles west of Wanhsien.

The garrison area of General Tien Sung-yao, in Northern Szechuen, has been completely occupied by the Communists and they are now extending their influence to the garrison areas of General Yang Sen around Wanhsien.

General Liu Hsiang, Rehabilitation Commissioner for Szechuen, was formally inducted into office as concurrently Commander-in-Chief of the Szechuen Bandit-suppression forces Oct. 4. Taking advantage of the presence of the various Szechuen generals in Chengtu, General Ho Cheng-chun, representative of General Chiang Kai-shek, convened a bandit-suppression conference Oct. 5. It was decided that the troops participating in the campaign against the "Reds" be increased from 60,000 to 100,000.

General Liu Hsiang, as Commander-in-Chief of the Szechuen Bandit-suppression forces, has appointed Generals Teng Hsi-hou, Tien Sung-jao, Li Chi-hsiang, Yang Sen, Wang Ling-chi and Liu Tsun-hou as field-commanders of the 1st, 2nd, 3rd, 4th, 5th, and 6th Route Armies. A total of 80 regiments (equivalent to 120,000 men) of Szechuen troops have been ordered to mobilize against the "Red" outlaws in northern Szechuen.

Earthquakes in North-western Szechuen continue to be of frequent occurrence. A recent quake caused a whole town to cave in, burying about five thousand persons. The city of Sungmou is being subjected to frequent shocks nearly every day.

More Communists Enter Szechuen

The Communists under the command of the bandit chief Ho Lung, which recently were active in Western Hupeh, are now advancing steadily westward with the obvious intention of penetrating into Szechuen and joining up with the Communists in Northern Szechuen. These Communists are advancing by three different routes. Their total strength is estimated at three thousand men.

General Liu Wen-huei, the deposed Chairman of the Szechuen Provincial Government who was recently ousted from Ya-an by the Allied forces under General Liu Hsiang, has returned to that city, where he is now reorganizing the remnants of his forces.

With the defeat of General Liu Wen-huei in Szechuen the Provincial Government has automatically disappeared. General Liu Hsiang has suggested to the Central Government that Szechuen be placed under military control for the time being until the Communists in the north have been wiped out.

A representative of General Wang Chia-lieh, Chairman of Kweichow, recently arrived in Chengtu to confer with General Liu Hsiang on matters relating to the two provinces. Relations between Kweichow and Szechuen are stated to be considerably improved.

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Another Bridge Being Built at Canton

The foundation-stone of a new $50,000,000 bridge at the west end of Canton was laid Oct. 4. The bridge, when completed, will link up the Canton-Hankow and Canton-Samshui railways. It is the second of a series under the there-year reconstruction plan, the first being the Pearl River bridge, which was completed early this year.

Plans for the contruction of a huge reservior capable of supplying 10,000,000 gallons of water daily were announced in Canton, Oct. 6 by the Public Utilities Bureau.

An administrative conference is scheduled to be held in Canton October 20 to last for one week. Included in the agenda is a discussion on the ways and means of carrying out the three-year plan.

General Chen Chi-tang issued an order in Canton Oct. 7 stating that no divisional executive officer will henceforth be allowed to accept the concurrent command of a regiment. As a consequence, the executive officers of different divisions are relinquishing their regimental commands.

General Chen Ming-shu, former commander of the 19th Route Army, left Hongkong for Canton beginning of the week.

Canton Asks to Be Paid for Northern Expedition

Canton is adopting a novel method of creating trouble for the Nanking government. It has presented a demand for payment of 190 million dollars from Nanking in settlement of the "bill" for financing the anti-Northern expedition of 1926, which led to the establishment of the National Government. The money, it is suggested, should be paid out of the proceeds of the U.S. $50,000,000 American wheat and cotton loan. It is alleged that approximately $80,000,000 was "extracted" from the Canton Central Bank in 1926, and three issues of long-term and two of short-term bonds disposed of, in order to finance the campaign of the revolutionary armies.

French Chary About Investing in Manchuria

A Franco-Japanese association in Tokyo was recently reported as a first move toward French commercial investment in Manchukuo, and Japanese promoters were quoted as saying that the French are prepared to invest 1,000,000,000, francs if Manchukuo gives adequate safeguards. Leading French banks have intimated readiness to finance increased French exports to Manchukuo, according to reports in Japanese newspapers. At the same time, Japanese officials in Paris say that the Manchukuo government is not seeking foreign long-term loans at present, because of the high interest rates involved for Far Eastern countries with depreciated currencies. Andre d'Ollivier, representative of French capitalists interested in Far Eastern investment, was in Japan until recently and is now visiting Manchukuo to investigate the possible investment of funds in promising currencies.

It was stated that Mr. d'Ollivier appeared to have been far more interested in furthering French industrial exports to Manchukuo than in discussing French loans. Some of the enterprises now projected would nevertheless entail substantial credits for financing Manchukuo imports. These projects, which have been the object of the d'Ollivier investigation, are many and varied. Among the most important is the construction of a new harbor at Seishin (Korea), which is to be the terminus of the Changchun-Kirin railway and which will substantially shorten, cheapen and speed up navigation between Japan and the Asiatic mainland. Another important enterprise is the development of Changchun, the new capital of Manchukuo. Besides government buildings, homes for state officials, electrical, gas and water works to be erected in Changchun and the building of a big steel plant there are also contemplated. Similarly, foreign equipment will be used for new water works in Harbin, according to the Japanese authorities.

The Manchukuo Government has decided to establish a joint Japanese-Manchukuo Alcohol Company in Harbin. Major-General Kozo Honjo is to be the president of the new company.

The question of Manchukuo's recognition has cropped up in connection with the Far Eastern Olympic Games which are to be held in Manila, next spring. The question of the participation of Manchukuo athletes has been clearly linked up by the Japanese with the feasibility of Indo-China's participation to the meeting. China had objected to Manchukuo participation. Now the Japanese have ruled that they will not agree to the application to participate from French Indo-China unless Manchukuo athletes are also allowed to participate.

On what is stated to be the request of the Manchukuo Government, the Japanese Department of Justice is sending a judicial expert to Manchukuo as an advisor to contribute to the reform of the judicial system of Manchukuo. Masatake Yoshida, at present connected with the Supreme Court in Tokyo, will shortly proceed to Changchun, in connection with the foundations which are being laid for the abolition of extrality in Manchukuo.

Shanghai Sells Much to Manchukuo, Buys Little

Manchukuo's exports to Shanghai during August amounted to $24,795 as against an import of $1,105,622, leaving an excess in import of $1,080,827. As compared with the figures for July, exports increased by $765 and imports by $169,191. During the first eight months of the present year, exports from Manchukuo to Shanghai totalled at $355,554 as against imports of $12,551,579.

Japanese Report that Bubonic Plague in Manchuria Is Spreading

The South Manchuria Railway announced at Dairen Oct. 7 that 12 out of 15 affected by the bubonic plague

have died in Changling, 150 miles west of Changchun, following the deaths of a man and a woman from Nungan, the plague district. A further spread of the plague is feared.

The South Manchuria Railway announced Oct 9 that over 700 deaths from plague had occurred in North Manchuria since the latter part of August, when both bubonic and pneumonic plague were first reported.

The Kwantung Army announces that the casualties it has sustained since September 18, 1931, when the Japanese occupied Mukden, total 1,846 killed and 4,968 wounded or granted sick leave. Up to the end of 1932, the Army lost 1,152 killed and 2,480 wounded or granted sick leave, while in the present year 693 officers and men have been killed and 2,488 wounded or granted sick leave.

The Foreign Office in Tokyo Oct. 10 announced the opening of a new Japanese Consulate at Hailar, in North Manchuria.

American Legion Opposes Soviet Recognition

The national convention of the American Legion, at Chicago, Oct. 5, passed a resolution opposing diplomatic recognition of the Soviet Government by the United States.

Miss Frances Perkins, Secretary of Labor, has endorsed the plea of the American Federation of Labor for still shorter hours and higher wages in order to spread employment over a larger number of workers.

When the Senate Banking Committee investigated the affairs of Dillon, Read & Co. last week, it was revealed that the company, in organising an investment trust in 1924, obtained for G.$100,000 stock later listed on the Stock Exchange at G.$36,000,000.

Four companies of National Guards were sent toSaline county, Illinois, Oct. 6, as the result of violence by pickets of the Progressive Union who attempted to prevent mine-workers returning to work in one of the Peabody mines. Six houses in the neighborhood of the mine were bombed, 1,200 pickets shot at every passer-by along fifteen miles of roadway.

Seven out of the ten persons charged with kidnapping last July C. F. Urschel, oil millionaire, for whose release a ransom of $75,000 was paid, were convicted at Oklahoma City Sept. 20.

As the result of an eleventh hour surrender by Mayor J. P. O'Brien, the New York Stock Exchange will not be removed to New Jersey.

Opposition by the California State Grange to any change in the Oriental Exclusion Laws was announced Sept. 20 in a statement by George Schlomeyer, State master of the grange. Samuel J. Hume, executive secretary of the California Council of Oriental Relations, declared that a "quota change would be a gesture of good will."

F. B. Campbell, a well-known lawyer and director of a number of American and British assurance companies, has been indicted on a charge of gold hoarding. The prosecution will serve as a test case.

The U. S. Government has decided to purchase 250,000,000 feet of lumber from various concerns. The lumber will be used to construct 1466 frame building to house the Federal conservation force.

A deluge of funds from abroad is expected by Wall street and by international bankers as soon as the stabilization of the dollar seems assured.

Honolulu contractors have protested to Washington against the alleged "dumping" of Portland cement manufactured in Japan. It was said that Japanese standard cement was being offered at $1.85 to $2.05 a barrel, while American prices range from $2.20 to $2.25.

At least 3,000,000 workers were re-employed up to the end of September, according to the Federation of Labor review. The review, however, asserts that the higher wages granted to the workers have been offset by shorter hours and higher prices.

A Federal Committee has been appointed "to consider the advisability of formulating legislation with a view to the supervision of the New York stock exchange and other security exchanges."

Henry L. Mencken has announced his retirement as editor of the *American Mercury*, instead devoting his time to writing books and newspaper work.

The total import and export trade of the United States with the Orient for the month of August this year was G.$71,720,000. The trade for August a year ago was but G.$40,171,000. A part of this increase was due to the slump of the dollar. During August this year, Japan was the country's best customer and total exports to that country were valued at G.$10,157,000. American trade with China declined two per cent. in August.

American Marines to Protect Chinese in Cuba

Arrangements have been made between the Chinese and U.S. Governments whereby Chinese nationals in Cuba will be placed under the protection of American marines in case of necessity. Agitation against Sumner Welles, United States Ambassador, is being carried on by students who are demainding his recall.

Government soldiers, infuriated by Communists sniping from roof-tops, launched a furious onslaught Sept. 30. After a bloody battle the Communists were driven to earth. Regular troops stormed the Hotel Nacional at Havana Oct. 1, killing 60 of the rebel officers living there; the others surrendered. The Communist agitation, led by two Russians, is increasing.

Business in Havana was virtually paralyzed by a one-day general strike Sept. 29. The strikers now plan to cause a general stoppage of trade and to take over the sugar mills which the government is unable to protect.

Chinese Consular reports from Santiago de Cuba state that six Chinese business establishments there have been raided by armed youths.

American investments in Cuba are just over a billion U.S. dollars, half in the sugar industry. There is a growing cry in the Island against American capitalism. Recent telegrams spoke of white women being insulted by Cubans on the streets of Havana.

The sugar agreement empowering the President of the United States to raise or lower Cuba's tentative sugar quota and limited the amount of raw sugar which producers were allowed to supply to the domestic market to 7,000,000 tons per annum, drafted towards the end of last month, has been scrapped owing to Cuba's refusal to approve the pact and the difficulty of implementing it.

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Fifty Percent of U.S. Marines Going to Cuba Have Seen Service in China

Lieut. N. J. Scheyer, formerly intelligence officer with the U.S. Fourth Marines in Shanghai, previous to the incumbency of Lieut. E. F. Carlsen, has written to friends in Shanghai that he is now connected with the Seventh Marines, at the time of writing mobilized for possible service in Cuba. He says fifty percent of the men going to Cuba had seen service in China. The Seventh is commanded by Col. R. P. Williams who in his younger days served in the Asiatic Fleet. One battalion is commanded by Major Potts, a member of the Fourth Marines when it was in Tientsin.

Manchukuo on Point of Seizing C. E. R.?

The Soviet-Manchukuo negotiations for the transfer of the C.E.R. are still at a standstill after three months since the opening of formal negotiations in Tokyo. The Soviet attitude is that the Manchukuo delegates are showing insincerity and have no spirit of co-operation and co-ordination with the Soviets, despite the concessions made by it in the form of the reduction of the sale price for the Railway from 250,000,000 to 200,000,000 roubles.

A caustic refutation of arguments in defence of the arrests of Soviet employees of the C.E.R. advanced by the Chairman of the Board, Li Shao-keng, and firm reiteration of all previous statements concerning the illegality of those arrests and violation of existing treaties by the Japanese-Manchurian authorities, was conveyed in a letter to Li Shao-Keng by the Soviet Vice-Chairman of the railway Board, M. Bandura, end of last week,

The Manchukuo authorities at Harbin Oct. 6 demanded that M. Rudy, Soviet general manager of the Chinese Eastern Railway, should end the disturbances on the railway caused by Soviet officials. The *United Press* stated that the Manchukuo officials have decided to stop the Soviet activities by force unless the Soviet officials act. Mr. Morita, railway director of Manchukuo's Communications Ministry, has gone from Changchun to Harbin to take charge of the situation. Mr. Morita stated that the Soviet and Manchukuo officials should be given equal opportunity to obtain high positions in the railway. He also stated that the arrest of Soviet officials by Manchukuo was due to violation of the Manchukuo law by the accused men. The previous day the immediate release of several responsible Soviet employees of the Chinese Eastern Railway, arrested on what the Soviet

described as fabricated charges, and abandonment of the plan of seizure of the C.E.R., were demanded by Soviet Consul-General Slavutsky, in an interview with the Manchukuo diplomatic agent in Harbin, Shih Liu-peng.

Soviets Publish Startling Documents

The *Tass* News Agency during the week published a four documents relating to the activities of the Japanese military and civilian administration in connection with the preparation of the plan of seizure of the C.E.R.—referred to in declarations made by M. Sokolnikov to the Japanese Ambassador to the U.S.S.R., M. Ohta, on Sept. 21 and by the Soviet Ambassador to Japan, M. Yurenev, in Tokyo, on Sept. 28. These documents throw light on the role of Japan in the latest developments in Manchuria, and refute the official declarations about the independence of Manchukuo, and about the Japanese Government's alleged "standing aloof" from the predatory activities carried out under the flag of Manchukuo authorities. In particular, these documents stress that the arrests of the Soviet employees of the C.E.R. was by no means a result of any misdemeanor on their part, but was undertaken as the beginning of the realization of the predatory plans adopted at conferences in which the Japanese military command and the Japanese officials of Manchukuo took part.

Document No. 1 bears the title "Report of the Japanese Ambassador in Manchukuo to the Minister of Foreign Affairs, Tokyo Sept. 4, 1933."

Document No. 2 is the report of the Japanese Ambassador in Manchukuo to the Japanese Minister of Foreign Affairs, Tokyo, dated Sept. 9, 1933.

Document No. 3 is another report of the Japanese Ambassador in Manchukuo to the Minister of Foreign Affairs, Tokyo, dated Sept. 9, 1933.

Document No. 4 represents a report by the Japanese Consul-General in Harbin to the Japanese Ambassador in Manchukuo dated Sept. 19, 1933.

"Purchase" with the Cooperation of the Police

The report with the "bite" in it was Document No. 3 in which were outlined the "measures decided upon for the promotion of negotiations for the purchase of the C.E.R."

Among these "measures" (looking towards "purchase") were:

To utilise the comptrolling department of the C.E.R. and other organs of the railway for the collection of material relating to the illegal actions of Soviet employees of the railway, and to hand over this material for investigation to the Service of Exploitation and to the Police Administration. For this purpose: (a) The department of control was to be allowed to collect such material and to conduct investigations. (b) Counsellors of the board, manager, and chief inspectors were to be brought to trial with corresponding material. (c) Upon bringing up the action, the defendants were to be examined, or, in case of necessity, arrested. (d) Proper precautions were to be taken that no false impression should be created about the extensiveness of the police raid. The raid was to be planned on a small scale, with arrests of the minor officials. However, in the course of investigation, it was contemplated that the scale be extended, and employees of greater importance involved.

All the above-mentioned was to be carried out in co-operation by the Department of Justice, the Police, and the Department of Exploitation of the C.E.R.

Japanese Are Indignant

The Japanese reaction to the Soviets' allegations included indignant editorials in the leading newpapers, which took a very serious view of the matter. The Japanese Government, in any event considers that, if the Soviet authorities hoped to turn Japanese moderates against the administration, they were likely to be disappointed. On the contrary, a Japanese Foreign office spokesman asserted, Moscow's action was likely to stiffen the moderates against the Soviets for resorting to "such crude tactics." The official spokesman intimated that the army was insisting that K. Hirota, Japanese Foreign Minister should protest, strongly, backing it with a demand for complete retraction or an admission that the documents were spurious, and a warning that sterner action would be taken if the Soviets declined. The spokesman intimated that "sterner action" was envisaged than the discontinuance of railway negotiations, with the possibility of the severance of diplomatic relations as a last resort.

Moscow *Izvestia* commented Oct. 10:—It will be recalled that M. Sokolnikov, on September 21 pointed out that, according to reliable information received by the Soviet Government, "The Manchurian authorities upon the instructions of the Japanese Government, intended to carry out unilaterally in the near future a series of changes in the management of the C.E.R." and that "Manchurian authorities upon the instructions of agents of the Japanese Government intend to carry out a series of police measures against the Soviet employees of the CER".

The Soviet Consul-General in Harbin, M. Slavutsky, on October 6 again visited the diplomatic agent of Manchukuo in Harbin, M. Shih Liu-peng and demanded a reply to his former protest against the failure of the Manchurian authorities to formulate the charge on which the Soviet employees of the C.E.R. were arrested.

Japanese Foreign Minister Hirota has decided to question M. Nagi, the Tokyo correspondent of the *Tass News Agency* as to the motive and process through which the alleged official document was published. The Japanese view is that the publication of the documents in Japan is illicit as it conflicts with the peace preservation law in force. The Foreign Ministry has decided to consult with the Home Ministry in regard to the affair.

The Foreign Office will take positive steps against the *Tass* News Agency, *Rengo* states. The suspension of the business of the Tokyo agent of *Tass* or the deportation of its correspondent, M. Nagi, or other drastic steps are now being considered by the authorities concerned.

The Soviet telegrams daily publish accounts of incidents along the C.E.R.

On October 6 the Manchukuo police forced open the sealed door of the office of the arrested chief of financial service of the railway, M. Kubly, under the pretext that the office was required for the Manchurian assistant. After the seal had been broken, a police guard was stationed before the door of the office. Reports from Chita state that the police at Manchuli station were interfering in every possible way with the normal work of the C.E.R.

At a meeting of high officials in the Foreign Ministry, in Tokyo, Oct. 10 it was decided to direct a strong protest to the Soviet Government, concerning the latter's recent action of "propagating fabricated news" through its official organ.

M. Rudy, the Soviet general manager of the Chinese Eastern Railway, Oct. 10, countermanded all orders issued by the Manchukuo assistant manager, thereby causing serious complications.

Plague Germs Let Loose by Soviet Laboratory?

(From the Review's Correspondent in Harbin)

A sensation was caused recently among the Russian community at Harbin by the Chinese-owned Russian-language newspaper *Kung Pao*, which published an article to the effect that the Russian Military Laboratories at Vladivostok which are reported to be actively engaged in making poison-gases etc., for chemical warfare, are responsible for the outbreak of plague. According to this organ, which is edited by a white Russian, agents were sent to points along the Taonan Railway with plague germs which they released at given points, this being done, it was said, in order to try out the effectiveness of the baccili incubated at the Vladivostok laboratory.

The recent arrest of four prominent Chinese Eastern Railway officials, including the Chief of Haulage and Work-shops Departments and chief accountant have caused quite a sensation in Harbin. They were taken to the Procuror's (public prosecutor) office and examined afterwards, being conveyed under police escort to the Police Administration, Judicial Department, where they were each given a small room in which they remain detained. Food is furnished them from a restaurant close by. They have been allowed only to receive visits from their wives. In connection with the arrests, Mr. Nagao, the chief of the Police Dept., Ministry of Interior, journeyed specially from Changchun to Harbin to take charge. He summoned all the representatives of the local Russian, Japanese and Manchurian newspapers as well as the correspondents of all telegraphic agencies, stating to them that the present action that had been taken was an ordinary judicial step necessary on account of unlawful actions of the C.E.R. Administration, and in no way political. He therefore intimated to the press representatives that they should not treat the matter as anything sensational and refrain from flaring headlines in their respective papers. It was their duty, continued Mr. Nagao, to inform the public correctly so that the latter might not misconstrue the reason for the arrests, adding that the C.E.R. is under

the administrative suzerianty of Manchukuo and one of the most important railways in North Manchuria. The Soviet Consul-General has strongly protested against the arrest of these four prominent Soviet railwaymen and the case will be followed with interest. The authorities are looking after the personal comfort of the detained men as far as in their power. It is not likely that they will regain their freedom for some time as the Court has a delicate case to handle and will go slowly.

Export of Gold Forbidden

In an interview with local pressmen, Mr. Ito, chief of the Police Department of Greater Harbin, stated that the Government of Manchukuo has made a special law to regulate the gold trade in the country, which is now being put into effect throughout the territory of Manchukuo. All the dealers in gold and articles of gold are forbidden by the new law to take gold out of the borders of the country. To exercise control over the dealers and to ascertain the quantity of gold and the number of golden articles in their shops the latter have been visited by representatives of the Police Depatment.

Sale of Real Property in Harbin Is Forbidden for One Year

The Administration of Greater Harbin issued recently a regulation forbidding sale of houses and erecting new buildings in all the suburbs of Harbin and in some sections of the city itself. Owners of plots of ground or holders of easements on same should not, according to the regulation, erect any buildings for one year, and those who had started building before the issue of the regulation are advised to stop the work, or, if they wish to complete the building, they run the risk of being ordered by the authorities to pull the building down.

These measures are taken by the Authorities with a view to realizing a town planning program.

Manchuli Has Become a Dead Town

News from the town of Manchuli states that the inhabitants have deserted the town for fear that in case of an armed conflict Manchuli will be one of the places first to turn into a scene of war, as it was in 1929 during the Sino-Soviet conflict. The citizens of Manchuli have left for Harbin and other places in North Manchuria. Many of them have immovable property in Manchuli, which remains now unused in any way. Some of them pulled down their houses in Manchuli, transported the material to Hailar or to places in the Three River District, and erected anew the houses there. Out of 30,000 inhabitants only 2.000 have now remained at the town. After a number of houses had been taken away from the town, the Authorities of the town are reported to have prohibited the citizens of Manchuli to pull down their houses there and to transport them to other places.

Revival of Trade at Hailar

A sudden revival of trade is reported from Hailar, the largest trade center for raw materials in Barga Mongolia. Owing to a large demand for wool on the part of America, the price of wool rose from $2.50, local currency, at the opening of the wool season in June to $9.00 per pood at the present time. There was a large lot of wool of several previous seasons unsold and kept by the wool traders at godowns in Hailar, Harbin, and Tientsin. At the present time the supply is unable to meet the demand. All the godowns are cleared of wool, it having been sold chiefly to American merchants. The decline of the American dollar seems to affect very much the revival of the trade in raw products here; for many of the American merchants preferred during the time of decline to obtain and keep goods instead of money.

Drastic Measures Against Hunhutse

The Police of Harbin and the troops of the Harbin garrison launched an energetic drive against the hunhutse and all kinds of malefactors, with the result that 200 of them were recently captured and one hundred of them were executed; the rest awaiting trial are kept in prison.

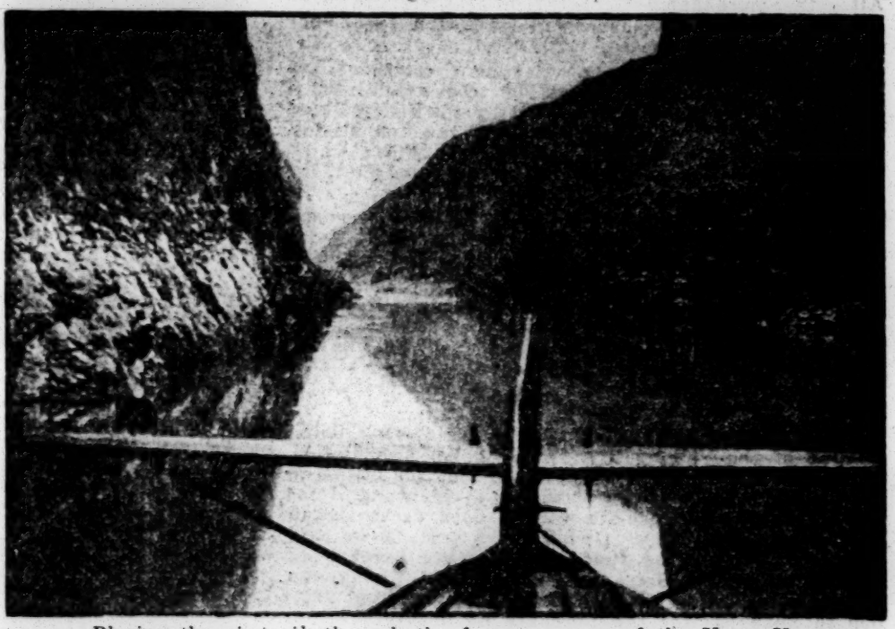
According to press reports from Japanese sources there are at the present time 30.000 hunhutse or irregulars in the territory of Manchukuo. Detachments of Manchukuo and Japanese troops have been despatched from different centres in Manchuria in several directions to fight the bands of the irrgeulars controlling many places in the eastern and northern sections of North Manchuria.

Harbin, October 5, 1933.

Direct Shanghai-Canton Air Service Inaugurated

The China Aviation Company inaugurated a direct Shanghai-Canton air service October 10. Three airplanes are scheduled to leave from both ends every week.

Nine airplanes from the Hangchow Airdrome flew over Shanghai on October 10 and distributed handbills from the air urging the Chinese people to become air-minded. Six of the planes were contributed by the China Aviation League; the other three were from the Hangchow Aviation Academy,



Blazing the air-trail through the famous gorges of the Upper-Yangtsze where a regular service is now maintained by C. N. A. Co. air-mail and passenger planes.

Commercial flying will be taught by the Canton Aviation School of the First Group army. As the Aviation School has all the facilities to teach commercial fiying, classes will begin shortly. Entrance examinations are now being held. Candidates are examined in Chinese, English, mathematics, etc.

A recent Canton message stated that, under the direction of General Huang Kwang-jui, Commander of the Canton Air Force, the Aircraft factory attached to the Aviation Bureau at Canton is now able to manufacture its own airplanes. Up to the present three military planes have been constructed. With the exception of the engine, which is imported from abroad, all other parts are made with Chinese products. The speed of these new planes is stated to be about 200 miles an hour.

Sun Tung-kang, the youthful Chinese aviator who is now engaged on a cross-country flight, arrived at Sianfu from Chengchow Oct. 8. He was met at the aviation field by the entire staff of the Shensi Provincial Government.

Mails between Europe and South China will take only nine days in transit if and when Canton's plans for the inauguration of an air line linking Lungchow, Kwangsi, with Canton are carried out, a recent message from Canton stated.

When Maryse Hilz, French air-woman, failed at Paris Oct. 7 in her second attempt at a take-off on a proposed flight to Tokyo, she burst into tears.

The French airman Andre Bailly and Jean Reginensi, established new records at Etampes Oct. 6 for light two-

seaters weighing less than 280 kilos. The fliers covered 500 kilometers at an average speed of 200.3 kilometers per hour.

The 20th anniversary of the Japanese Imperial Aviation Association took place October 5. Prince Nashimoto, Honorary President of the Society, Premier Viscount Makoto Saito, Home Minister Baron Tatsuo Yamamoto, Communications Minister Hirohi Minami, War Minister Lieut.-General Sadao Araki, Navy Minister Admiral Mineo Osumi and the families of more than a hundred aeronautical heroes who lost their lives in service to the country were among those present on the concaois.

Three Hundred Square Miles Inundated in Suiyuan by Recent Floods

According to investigations made by the Suiyuan Provincial Government, about three hundred square miles were inundated by the recent flood in that province. Altogether more than five hundred villages were destroyed and no less than 1,500,000 mow of land submerged. The flood refugees are estimated at 200,000.

The China International Famine Commission has decided to start a drive for $1,000,000 to be used for rural rehabilitation in the districts flooded by the Yellow River. Y. S. Djang, the executive secretary of the Commission, who is at present directing the work of the North China War District Commission, has been elected manager of the campaign.

The plenary meeting of the Yellow River Conservancy Board closed at Kaifeng Sept. 27, after adopting a total of 42 resolutions regarding the conservancy of the River.

A proposal submitted by the Huai River Conservancy Board calling for the appropriation of funds to direct the course of the River into the sea was discussed at a meeting of the Central Political Council Sept. 27. After consideration, the meeting decided to entrust the National Economic Council with the formulation of comprehensive plans in regard to the proposal.

Chou Hsiang-hsien, chief of the Engineering Relief Section of the Yellow River Flood Relief Commission, departed from Nanking end of last week for Tsinan on an inspection tour of the provinces of Shantung, Hopei and Honan to supervise the work of flood prevention in the Yellow River Valley. On his return Sept. 30 he said that besides remitting funds to the three bureaus at Lanfeng (Honan), Hotse (Shantung), and Changyuan (Hopei), the Engineering Section had also remitted $30,000 to Shanghai for the purchase of flood-prevention materials.

Almost a Million Flood Refugees in Western Shantung

Western Shantung is stated to have 949 658 refugees as a result of the recent Yellow River flood; 119 239 houses were destroyed and 3,622,801 mow of land inundated. The total damage done was $38,030,671.

According to a report received from the representative of the Shanghai Flood Association, who is conducting an investigation in the flood area in Western Shantung, there are at least 300,000 people homeless at Tsaichow alone.

Shao Hung-chi, a member of the Control Yuan who recently visited Shensi to inspect flood conditions in that province, declared 53 districts were affected. He estimates the number of flood refugees at more than 2,000,000.

As a result of excessive rainfall, the Yellow River recently registered a rise of about 13 inches at Hsuchow.

B. A. T. Turns Over Six Millions in Gold to U. S. Treasury

The British-American Tobacco Co. Aug. 23 handed back its hoard of $6,249 000 in gold held in the United States to the U. S. Government at Washington under somewhat novel circumstances. The British-American Tobacco Company had originally reported the gold to the government and sought a license from the Treasury to export it. The Company intended to use the gold to buy tobacco to be brought to the United States and sought the the license on the ground that such a transaction was in the public interest and within the restrictions of the Presidential proclamation. The Treasury Department, however, held that it did not come within this ruling. The Company thus had hardly any other alternative than to turn the gold over to the Government.

U.S. Marines to Leave Haiti Within a Year

The United States will end its 19-year military occupation of Haiti October 1, 1934, under terms of an accord signed by the two countries. The agreement, which will bring 700 U.S. Marines out of the negro Republic, but maintains a strong American control over Haitian finance until bonds held by Americans are liquidated, was announced by the State Department Oct. 1.

Germany Adopts Bellicose Attitude---Britain Also Insists on Equality

The latest move in the disarmament proceedings at Geneva has been the presentation of counter-proposals to the British, French and Italian delegates by the German representatives. The reaction to these proposals is reported to be unfavorable in Paris. Concisely put, Germany is insisting on arms equality, and the German Vice-Chancellor, Dr. Franz von Papen, indicated in an address in Frankfurt Oct. 9 that Germany has no intention of abandoning her demand. The Vice-Chancellor devoted a considerable portion of his address to the situation at the Disarmament Conference in Geneva. He declared that Naziism was not to be considered as identical with a martial spirit and reiterated his former statements that Germany desired only to follow a peaceful policy.

"However, there are eternal rights that no country is able to waive," he declared, "namely, equality in the family of nations and security in a world bristling with arms." In concluding his address, Dr. von Papen declared that Germany would repeat these contentions without ceasing until the arms equality demand was granted

Stanley Baldwin, speaking at a conference of the British Conservative Party at Birmingham Oct. 7, stated that Britain will insist on arms equality. Mr. Baldwin, however, stated that another European War would be the end of civilization as known at present and therefore Britain was trying in every way to come to some agreement with regard to the limitation of arms. This statement followed an announcement by Germany that she will not accept a period for disarmament "on which she will be expected to be on her good behavior" and rejects the project for a four-years' transition period to give a trial to the new system of supervision and control of armaments, during which the present inequality is to be maintained without modification. Germany insists on being supplied, as soon as a disarmament convention may be concluded, with specimens of the so called "defensive arms" to which the presently heavily-armed nations are eventually to reduce their armaments.

In the budget commission of the League Assembly Oct. 5 the Financial Secretary to the British Treasury, Hore Belisha, called for a reform of the system whereby members of the League which had failed to pay their contributions to it yet enjoyed all the privileges of membership. The arrears outstanding last December amounted to £960,000.

Filipinos Reject Proposed Independence Measure

The Philippine Islands during the past several weeks have been in the throes of an agitation as to whether there should be a plebiscite or not on the question of the acceptance of the Hare-Hawes-Cutting Bill providing for independence on certain conditions.

On October 10 the Philippines Legislature approved by a to vote of 58 to 22 the Senate's action in refusing the proposed Independence Bill. A Washington telegram stated that Senator King intended to reintroduce another Philippines Independence Bill three years hence.

Electrical Enterprises Are Discussed at National Conference

The National Conference for the Inspection of Public Utility Enterprises was opened in Nanking Oct. 6 under the auspices of the National Reconstruction Commission. Yun Chen, Technical Expert of the National Reconstruction Commission, made the opening address. Liu Shih-hsin, of the Reconstruction Commission, reported that out of a total of 498 electric power-plants in China, 471 are private-owned. For this reason, he said, the policy of the Government will be to extend guidance and assistance to the private electric enterprises in the country.

The New Draft Constitution: An Appraisal and Comparison

BY HOH CHIH-HSIANG

THE twenty-second anniversary of the founding of the Republic by Dr. Sun Yat-sen is a fitting occasion to take a cursory view of the political progress which China has achieved during the past two decades amidst incessant domestic strifes and overwhelming national disasters. Perhaps, few realise, but none can deny the significance that China today stands on the threshold of entering upon a new political life in which enfranchised democracy, vainly envisaged by Dr. Sun in his forty years of quixotic struggle, will at last become a reality. Pursuant to a decision of the Third Plenary Session of the Central Executive Committee of the Kuomintang in 1932 to terminate the Period of Political Tutelage and inaugurate the Period of Constitutional Government, the Legislative Yuan at Nanking has recently drafted a new Constitution for China based upon the "Triple Demism" of Dr. Sun—the San Min Chu I—to be submitted to the forthcoming National People's Congress for final enactment as the Fundamental Law of the Land. The Chinese text of the draft which had been prepared by a Constitution Drafting Committee under the chairmanship of President Sun Fo, assisted by two vice-chairmen, Dr. John C. H. Wu and Mr. Chang Chih-peng was published on June 8 last for public comment in the name of Dr. Wu, the principal drafter. Mr. Yui Ming, Director of the Shanghai Office of the Ministry of Foreign Affairs, has just made an English translation of the document.

The new draft constitution consists of five Chapters and a total of 214 articles. Chapter I deals with the general principles of a republican government, defining the Chinese Republic to be a "San Min Chu I" Republic. Part II is an itemised elaboration of the prinicple of Nationalism, mainly concerned with the preservation and development of the Chinese nation. Part III devotes to the working of Democracy, setting forth the rights and duties of the people, regulating the organization and functioning of the National People's Congress, the Central Political System and the System of Local Government. Part IV contains articles providing for the economic well-being of the people which are meant to realize the principle of People's Livelihood. The 5th and last Chapter treats of the interpretation of the constitution designed to serve as a safety valve against possible abuses of the document.

History of Constitutional Development

Constitution-making in China since the founding of the Republic has experienced many vicissitudes of fortune, characterised by strenuous but fruitless struggles. Many attempts have been made to adopt a "permanent" constitution for the country, but all of them have proved abortive. In the course of the past twenty two years, no less than six documents that claim the title of a constitution have been proclaimed. But like transient clouds in an Autumn sky, they vanished as soon as they appeared. Thus far, the work has never advanced beyond the stage of drafting. The need and importance of a national constitution for China can not be over-estimated, especially in view of the fact that the lack of such a document has been a fertile source of continuous domestic discords. Hence, the present attempt to draft a permanent constitution is both opportune and welcome. To appreciate the efforts of the present in this connection necessitates an understanding of the past. For this reason, it is *a propos* to make a brief historical study of the constitutional development in China and compare the present draft with the documents that have preceded it.

The 1911 Modus Vivendi

In order of chronology, the first document since the founding of the Republic that lays claim to be a constitution is the "General Plan for the Organization of the Provisional Government" or more fittingly described as the Articles of Confederation, enacted at Nanking by representatives of the revolutionary provinces towards the end of 1911, a few months after the revolutionary outbreak at Wuchang. A hastily drawn-up document to meet the needs of an emergency situation, this "General Plan—" was too short and incomplete to serve even as a *Modus Vivendi* for a provisional regime. It had only 21 articles, providing for an elected Provisional President in the person of Dr. Sun Yat-sen and a Council of Representatives (elected from among the representatives of the revolutionary provinces) which was to draft and adopt a "permanent" constitution within six months after the establishment of the Republic.

The Provisional Constitution of 1912

Realizing the defects and inadequacy of the "General Plan—," the Council of Representatives proceeded to draft a better and more complete document and the result of their labor was embodied in the next constitution which was officially known as the "Provisional Constitution of the Republic of China" and promulgated on March 11, 1912. Defective as it was, this document represented an improvement over the "General Plan." In form, it was more complete, having seven Chapters and 56 articles and in substance, it was founded upon a definite political system. The spirit of this constitution was to realize parliamentary politics in China and invested the chief power for political advancement of the country in the hands of a parliament which was known as the "National Council." This system was advocated for two reasons: First, political leaders in China at that time, bewildered by the success of the British form of Government, credited the Parliamentary System with miraculous powers and were blindly convinced that if this system were transplanted on Chinese soil and cultivated by slavish imitation, China would "jump" from a weak nation into a strong power. Secondly, it was adopted as a political expedient for a peculiar situation, to serve as a check over the wiry Yuan Shih-kai, who then succeeded Dr. Sun as President of China, in his personal ambitions. The significant feature of this document was the legislative control of the National Council over the President by the exercise of its right of concurrence. The powers of the President were restricted in many ways. In such important matters, as appointment or dismissal of cabinet Ministers, diplomatic representatives, declaration of war or conclusion of peace, the President could not transact on his own authority without the advice and consent of the National Council.

Yuan Shih-kai's Pet Document of 1914

Yuan Shih-kai greatly resented such restrictions and decided to secure their abolition. He advocated what he termed a weak country's constitution in the which the Government should be supreme and not subject to the restraints of the Parliament. To achieve this end, he manoeuvred to induce the National Council, which was then in preparation of a new constitution, to draft a document of his own pattern. Met with rebuff in his attempt, Yuan took measures to prevent the National Council from proceedng with its work in Constitution drafting. Finally to make the task impossible, he outlawed the Kuomintang members of the Council and thus deprived it of a quorum to transact business. With this high-handed removal of the obstacle in his way, Yuan summoned a Constitutional Convention and drew up a new document of his own heart's desire. This

document was known as the "New Constitution" or "Constitutional Compact" which was adopted by his puppet body and promulgated on May 1, 1914. It was a document, largely based upon a draft submitted by the American advisor to the President, Dr. Frank Goodnow. In form, it was somewhat similar to the Provisional Constitution and more elaborate in provisions, having ten Chapters and 68 articles, but in spirit, it was fundamentally different. The purpose of this document is diametrically opposed to that of its predecessor; it meant to undo exactly what the Provisional Constitution had done. It represented a case of an omnipotent executive versus a subservient parliament. According to this document, the President was the Head of the country and controlled the power of the entire administration. It not only abolished all the restrictions which the previous constitution placed over the acts of the President, but gave him absolute control over the legislature by dissolving it with the approval of a puppet body, the Consulative Council. Further, the President was not responsible to the Parliament but to the entire body of the people. Such were the characteristics of the Yuan Shih-kai constitution.

Yuan's imperial aspirations finally wrecked any prospect for this ill-framed instrument and it was soon discarded upon his death in 1916.When General Li Yuan-hung succeeded to the Presidency, the "Provisional Constitution" was at once picked up from the dusty files and restored to its validity as the Supreme Law of the Land pending the adoption of a permanent constitution. The Parliament, dissolved by Yuan, met again and once more started the work of constitution-drafting. Here again, the work hit on the rocks and soon difficulty arose which finally became insurmountable. The question of division of power between the Central Government and the Provincial Government was the chief bone of contention and proved the last straw on the camel's back. The Kuomintang members of the Parliament favored a large measure of provincial autonomy, while the henchmen representatives of the Northern Militarists uncompromisingly advocated a highly centralized administration. Finally, as a result of the intervention by the Tuchunate of that time, President Li was forced to dissolve the Parliament for the second time which again brought the work of constitution-drafting to a summary suspension. Soon after in 1917, the farce of Monarchical Restoration by the redoubtable Chang Hsun intervened and Li was unseated from his presidency.

During the climax of parliamentary squabbles over the constitution, Dr. Sun Yat-sen was in Shanghai and issued a circular telegram to the country, defending the Provisional Constitution of 1912. He invited the Navy and the Parliament to proceed to Canton and there organized a Constitutional Defense Government with the Parliament sitting in Extraordinary Session. However, as Kwangtung and Kwangsi provinces were then under the firm grip of the reactionary Kweichow militarists, little progress was made in the way of constitutional enactment. As a side wave of the constitutional development, it may be noted in passing that in 1918 and several years immediately following, there was a nation-wide movement for provincial autonomy in China and many provinces drafted and promulgated Provincial Constitutions, notably Chekiang and Hunan, but the flame of the movement soon flikered out and was extinguished in a general outbreak of civil war.

"A Constitution of Disgrace"

After the First Fengtien-Chihli strife in 1922, the Chihli Faction suddenly emerged into power. Tsao Kun, cloth-peddler leader of the Chihli clique, aspired to presidential heights and ousted the then President Hsu Shih-chang from his occupancy. By wholesale bribery of the Parliament, Tsao succeeded in having himself "elected" President of China, which has left an indelible stain in the annals of Parliamentary politics in China. In order to legalize his position, he made haste to proclaim a new constitution on October 10, 1923 in the name of the notorious Parliament. This document bore the name of "The Constitution of the Republic of China" and comprised of eleven Chapters and 113 articles. Objectively speaking, it was not a bad document in itself and as a matter of fact, possessed many merits to its credit. In subject-matter, it may be called an "Enlarged Edition" of the Provisional Constitution of 1912. It gave a clear division of power between the Central and Local Governments and makes the Parliament the supreme organ of national politics, exercising control over the president by its right of concurrence. But because of the Parliament being compromised in the disgraceful case of bribery election, it was flatly rejected by the country and never secured recognition.

Tuan's Forgotten Constitutional Draft of 1925

In 1924, the Second Fengtien-Chihli War broke out and resulted in the overthrow of the Chihli Party. Tsao Kun was deposed from his presidency and made a prisoner in Peking. As an emergency measure, Marshal Tuan Chi-jui, vanquished leader of the Anfu party, by joint agreement of Marshals Chang Tso-lin and Feng Yu-hsiang, was proclaimed Chief Executive of a transitional Government. During his regime, he summoned a National Rehabilitation Conference which in turn created a National Constitution Drafting Committee to draw up a new national law. Marshal Tuan's regime proved short-lived and soon collapsed. Although a National Constitution Draft was completed in 1925, it was never made public and the country in general scarcely know the existence of such a document.

The Fundamental Law now in Force

Upon the success of the Nationalist Revolution in 1926-28 and the establishment of the National Government at Nanking, renewed efforts were made in constitutional enactment. In pursuance of Dr. Sun Yat-sen's "Fundamentals of National Reconstruction" dividing the national revolution into three periods: Military Conquest, Political Tutelage and Constitutional Government, the Party and Government leaders summoned a National Congress at Nanking in 1931 and adopted a Provisional Constitution for the Period of Political Tutelage. This document, containing 89 articles, is mainly aimed at promoting the well-being of the people and educating them in preparation for Constitutional Government. The characteristic feature of this document is the political domination of the Kuomintang Party in China. During the Period covered by the document, the sovereign power of the country rests upon a National Congress of the Kuomintang which functions through an elected Standing Central Executive Committee. The latter organ in turn creates a Central Political Council which directs and controls the National Government in its administration of state affairs and which is responsible to the Central Executive Committee of the Kuomintang. Thus, the flow of govermental authority runs from the C. E. C. through the C. P. C. to the National Government. Pending adoption of a permanent constitution which is now in process of final enactment, this document will remain as the supreme law of the land.

From the above brief historical account of the constitutional development in China, it can be noticed that China, since the founding of the Republic, has had up to the present a total of six documents which have vainly struggled for recognition as a constitution, but as yet, none has acquired that enviable status. Except the last one which is now in force, the previous constitutional drafts at various times represented trials of the System of Parliamentary Government, the Presidental System, unitary from of Government and federal form of Government. Stated in other words, they have typified a struggle of Centralization vesus Decentralization and a Strong President vesus a Supreme Parliament. But all these systems have been found wanting in so far as their application in China is concerned. Hence, the necessity of drafting a new constitution that will be more adaptable to the peculiar conditions in this country. The present attempt is towards that end.

Features of the New Draft and a Comparison

In many respects, the new Constitutional Draft is creative and revolutionary, not only as compared with the previous documents of its kind in China, but also in regard to the political systems of the world. It is an experiment of an entirely new political doctrine evolved by the creative genius of Dr. Sun. Hitherto, the traditional method of separation of power of the Central Government is the system of triple organizm, the Executive, the Legislative and Judicial Departments. The new constitution which China will have represents an unique system of a Five-Power Government. The chief characteristic of the new document is the embodiment of the Kuomintang principles. The document itself has been drafted chiefly, if not entirely, on the basis of

the Three People's Principles of Dr. Sun Yat-sen and its chapters have been divided accordingly. According to this draft, in the place of the Kuomintang, the future source of national power will be the National People's Congress and democracy, the basis of political organization. The people, represented by the National People's Congress, will exercise the rights of suffrage, initiative, referendum and recall. Both the President and the Provincial Governors are elected by the people and are responsible to them. The Central Government will, as at present, consist of five Councils—the Executive, Legislative, Judicial, Examination and Control Yuan, which are independent of one another and supreme in their respective fields of function. Compared with the political system of the world, this system is unprecedented. It can neither be likened to the Parliamentary System of the British type, nor the Presidential System of the American pattern. It is true that the new draft provides for a Legislative Department, but it is not a Parliament in the accepted sense of the word. While the Legislative Yuan has powers over legislation and certain measure of control over the acts of the President or the Executive Yuan, but the Executive Organ is not responsible to it. On the other hand, the President, although elected by the people for a definite period of years, does not possess supreme powers over the administration. He is merely a nominal head, more of the French or Swiss type than of the type of the American Chief Executive. Strictly speaking, under the new draft instrument, there is no such organ corresponding to the American Congress or the British Parliament which remains as a standing body. The National People's Congress—the fountain of national power—is somewhat like the American Presidential Convention, but has considerablely larger powers and duties than are conferred or imposed on that. Further, the Executive Yuan which the new Constitutional Draft defines as the highest Executive Body of the country can not be compared to a Cabinet. Because, it is not the Government itself, but only one of the five Government Departments. For instance, it has no power over Civil Service Examinations or the impeachment of officials. Even in the field of judicial administration, its powers are restricted by the Judicial Yuan, a coordinate organ with itself.

In the system of local Government, local autonomy is the basic principle. In each province, there is a Provincial Assembly which in function corresponds to the National People's Congress and which elects the Provincial Governor to be appointed by the National Government. Besides the Assembly which meets once a year, there is a standing body, the Provincial Council which may be likened to a Provincial Legislature, assisting in and supervising over the administration of the Provincial Government. In each District or Municipality, there is an elected Magistrate or Mayor who are appointed by the National or Provincial government for a definite period of years.

Finally as a safeguard against abuses of the constitution, Chapter V of the draft provides for the establishment of a National Affairs Court which performs the chief functions of interpretration of the Constitution and trial of administrative cases. This Court is created by an act of the National People's Congress and is independent of the National Government.

The draft Constitution throughout its articles avoids any reference to the Kuomintang, whose future existence and status are matters of uncertainty. It is presumed that upon the inauguration of Constitutional Government, the Kuomintang Party will return the power to the people as a whole and cease its independent existence. It is not stated whether the Party will be abolished or dissolved, but as far as the constitution is concerned, the Party will at least lose its present dominant political position. This is an important point and it will be signifiant to note what will happen to the Party after the enforcement of the new Constitution.

As the new Constitution is yet in its drafting stage, it seems premature to pass any remarks on its merits or demerits. Objectively speaking, this draft is a distinct advancement over all the previous constitutions China has ever had. The document is now in the process of revision by the Legislative Yuan and in its final form, will be submitted to the forthcoming National People's Congress for adoption as the permanent Constitution of China.

Oct. 10, 1933.

British Admiral Entertained by Japanese Prince

Sir Frederick Dreyer, Commander-in-chief of the British Fleet in Chinese waters, who is now visiting in Tokyo, and members of his staff, were guests of honor at a luncheon party given by Prince Fushimi, Chief of the Naval General Staff in Tokyo Oct. 4. Leading naval officers including the Navy Minister, Admiral Osumi, Admiral Takahashi, Vice-chief of the General Staff, and Admiral Fujita, Vice-Minister of the Navy, were among those present at the party.

Admiral Togo received the Royal Navy admiral in ceremonial dress and conversations were commenced by Admiral Dreyer, transmitting Admiral Viscount Jellicoe's message to the Japan's veteran naval officer, saying that it has been Admiral Dreyer's cherished hope of having an opportunity of seeing Admiral Togo, having heard a lot of his greatness and estimable personality from Viscount Jellicoe.

An elaborate welcome dinner party was given in the Imperial Hotel Tokyo, Oct. 6. under the auspices of the Japan-British Society in honor of Admiral Dreyer, and his staff. Prince Chichibu, brother to the Emperor, accompanied by Princess Chichibu, were among those present.

Chinese Ship Owners Object to Favoritism Shown C. M. S. N. Co.

The recent conclusion of an agreement between the Ministry of Railways and the China Merchants Steam Navigation Company providing for connected transportation of cargoes between all national railways and the China Merchants' shipping lines has aroused much opposition in Chinese shipping circles. Yu Ya-ching, president of the Chinese Shipping Association of Shanghai, has asked the Ministry of Railways to protect the interests of non-governmental shipping firms.

The China Merchants S.N. Co. has also benefitted from the boycott against the British-owned China Navigation Co. caused by the alleged ill-treatment meted out to its employees. The China Merchants S. N. Co. is building a big new godown at Canton for the accommodation of cargo.

Losses from long storage in the godowns of the China Navigation Company are estimated at about $600,000. The deteriorated goods are mostly yellow beans, ground nuts and other perishable goods. Cargo owners hold the company responsible for this loss.

Sino-British Society Inaugurated at Nanking

A Sino-British cultural society, sponsored by British residents in China, and Chinese leaders who are British returned students, was formally inaugurated in Nanking Oct. 11 for the purpose of strengthening the cultural bonds between the two countries. Sir Miles Lampson, British minister to China, is one of the sponsors of the new cultural society and made an address at the inauguration meeting. The aim of the new cultural society, according to the circular sent by the sponsors to those who are interested in the move, will be to assume the role of a permanent cultural link between the two countries. It will arrange for the exchange of literature and also exchange of professors and lecturers between Chinese and British institutions of learning.

Japanese Attempt to Win Over Panchan Lama

According to a report in the *Ta Kung Pao* in Tientsin on September 22, the Japanes are now planning to induce the Panchan Lama, who is now in Suiyuan, to co-operate with the puppet Government in Manchuria in an attempt to win over the support of a portion of the Tibetan and Mongolian Lamas who are followers of the deposed Tibetan leader. The Government at Nanking has already received a telegram from the Panchan Lama reporting on the matter and requesting the Government to pay close attention to the activities of the Japanese in Mongolia. The Tibetan leader in his report also reaffirmed his allegiance and support to the Government. Liu Chia-chu, a representative of Panchan Lama, arrived at Nanking on Sept. 29 from Pailinmiao in Suiyuan to make a report on the recent autonomous movement in Inner Mongolia.

Fundamental Principles of the New Constitution For China

BY SUN FO

TWENTY-TWO years ago, Dr. Sun Yat-Sen gave the Chinese people a new faith by creating out of the ruins of the despotic government under the Manchus, the Chinese Republic. Prior to his initial success, for a quarter of a century, our leader devoted himself to the teaching of a set of new principles upon which the revolution rested and from which the people in general and his followers in particular would derive inspiration and guidance. This set of new principles embodies, besides abstract teachings, a definite program for poltical, social and economic reconstruction of China. Our failure to carry out his complete program has so far left China in a state of political instability, social turmoil and economic backwardness. Now that the Period of Military Operations had come to a close the Period of Political Tutelage has been entered into for several years and will soon be over. The Period of Constitutional Government is scheduled to begin. Before entering into the third and last period, a permanent constitution must be adopted.

Consequently, at last year's Third Plenary Session, the Central Executive Committee passed a resolution to have a constitutional draft prepared by the Legislative Yuan to be submitted to the National People's Congress for enactment which would be called in the near future. Since the Legislative Yuan assumed this responsibility, the whole nation became constitution-minded. Diverse and different opinions on all questions and phases of the Constitution have been freely expressed. But, unanimously, everybody agreed that the Constitution should be promulgated in the immediate future. Acting on the resolution of the Central Executive Committee and the expectation of the people, the Legislative Yuan completed the first draft of the permanent Constitution in June and unofficially released it to the Press.

The Revolutionary Spirit

Shortly after its publication severe criticism centered on Article I. which provides that the Chinese Republic shall be a *San Min Chu I* (The Three People's Principles) Republic. They argue that the *San Min Chu I* are Kuomintang principles; that if the Constitution stipulates that the Chinese Republic shall be a *San Min Chu I* Republic, then China would become a Kuomintang state; and that if the Chinese Constitution is enacted in accordance with the *San Min Chu I*, it will be a Kuomintang, not a national, constitution. Such arguments only reveal the contenders' ignorance of the origin of this constitutional movement and the history of the Chinese revolution. First of all, outside of the Provisional Constitution of 1911 and the Provisional Constitution for the Political Tutelage Period, China has no working constitution to refer to. Then both were enacted and promulgated by the Kuomintang. Both are results of the success of a period in the revolution. Both are provisional. This permanent constitution is a continuation of the first two periods resulting from the completion of the second period of Dr. Sun's revolutionary program, an off-spring of the Political Tutelage Period. Without success in the revolution, there would not have been a provisional constitution. Without completion of the Political Tutelage Period, there will not be a permanent Constitution at all. Revolution is the means, Constitutional Government is the end. Revolution without Constitutional Government will be barren and futile, therefore fruitless. Constitution neither based on revolutionary principles nor expressing revolutionary spirit will be hollow and graundless; therefore without root.

Fortunately, in the making of our permanent constitution, our handicap in the lack of reference from Chinese sources is remedied by a super-abundance of examples and materials from abroad. A study of the European and American constitutions, particularly those promulgated after the World War, reveals to us that practically every constitution is an interpretation of the revolutionary spriit based on the political background which led to the revolution and made it a success. King John signed the Magna Charta after the revolution in 1215. The English Parliament enacted other Constitutional bills after other revolutions, whether peaceful or otherwise. The United States of America adopted a written constitution after eight years' revolutionary war against her mother country. Russia adopted the republican constitution by overthrowing the Czar. The success of the Bolshevik revolution created the Soviet republic. In Germany, the Weimar constitution represented the spirit of the socialist-democratic revolution which established the German Republic. Hitler and the Hitlerites are now gradually reconstructing the German Constitution to suit the Nazi principles. The Spanish and Portuguese Constitutions, like others, also result from their revolutions. It is therefore quite clear that a constitution can not be based on subjective, idealistic theories, but must be created on objective historical background and revolutionary experience interpreting revolutionary doctrines and providing ways and means to carry out the revolutionary program.

In China, Dr. Sun started the revolution. He advanced the revolutionary theories, drew up its program, mustered its strength and directed its movements. His followers now devote themselves to accomplish his unfinished work. He created the *San Min Chu I*. We will translate his principles into action. When Dr. Sun delivered his lectures, his first sentence was "The Three People's Principles are the principles for China's national salvation". It is because we want to continue his revolution, we ended the Period of Military Operations by unifying China. Because we want to complete his work we have entered into the Period of Political Tutelage and are preparing to begin the Period of Constitutional Government. With such historical background it is only natural for the Chinese Republic to be a *San Min Chu I* Republic and the Chinese Constitution to be a *San Min Chu I* constitution. In other words, without Dr. Sun's theories and activities and his followers' support, the Chinese Republic would not have been established: without the establishment of the Republic, a republican constitution for China would be only a fantastic dream.

The Aims of the "San Min Chu I"

Some critics contend that if the constitution is based on the *San Min Chu I* it would be a party constitution of the Kuomintang. My answer to this is that it is not necessary to ask whether the *San Min Chu I* are advanced by Dr. Sun and supported by the Kuomintang alone, but to find out whether these principles can reconstruct and save China. Dr. Sun says that the *San Min Chu I* aim to give China a government of the people, by the people and for the people. Through the course of the last century, China has been reduced to a sub-colonial state by imperialistic aggression and exploitation. Aiming to secure for China a position of independence and equality among nations, our leader devoted himself to the cause of the National Revolution. The attainment of such an aim means the consummation of the Principle of Nationalism. Speaking from the standpoint of the Principle of Democracy, the Chinese people had been governed by monarchical government for thousands of years. They lack political experience. Their political instinct has been weakened. Were they to exercise, immediately after the establishment of the Republic, the political powers, it would be a miserable failure. Therefore in his program, our leader allowed a period of political tutelage at the conclusion of military operations. During this period, the Kuomintang will exercise on behalf of the people, the political powers and at the same time gradually train the people with revolutionary principles and the execution of the reconstruction program, so that in due course of time a government by the people will become a reality. Such is the spirit of the Principle of Democracy. Its realization is our present task.

Finally Dr. Sun clearly saw the over-development of Capitalism in Europe and America and its tragic result, class struggle. Although the present China is economically backward, economic development will come hand in hand with political stability. In order to avoid undue development of capitalism, which will naturally lead to a social revolution, he taught the Principle of Livelihood. The Chinese Revolution therefore, is not only political but three-fold. First, the revolution based on the principle of nationalism sets Chinese free of the Manchus, makes her independent and places her in a position of equality among the family of nations. Secondly, the revolution based on the Principle of Democracy provides China with a government by the people. Thirdly, the revolution based on the Principle of Livelihood prevents struggle by the regulation of capital and the equalization of landownership. All these have to be accomplished at different stages in one single revolution. This is Dr. Sun's plan. This is our work.

Other cities may further contend that the constitution, being the system of fundamental laws governing the action, the rights and the obligations of the governors and the governed should include the basic laws aiming at permanency: but the *San Min Chu I*, being political principles of one party, aimed at the solution of China's current problems, are therefore suitable for only the present China. Should China become a *San Min Chu I* Republic with a constitution based on these principles, would the Chinese constitution not be a party constitution for only the present period? It is true that a constitution is dynamic. But over and above its dynamic character, certain fundamental principles aways remain unchanged. Take China herself for example. For twenty-two years China has been a republic. A review of China's constitutional history reveals that no less than seven constitutions have been so far drafted and promulgated. They changed from the presidential to the cabinet system, from uni-cameral to bi-cameral legislature, from elected to appointed assemblies, from absolute centralization of powers to federalism, etc.; yet the fundamental Principle of Democracy always remained unchanged. Once Yuan Shih-Kai tried to deviate from this fundamenntal principle, his government fell. The Constitutional history of other states offers the same proof. Before the Magna Charta, the English Kings exercised the legislative, executive and judicial powers freely and single-handed. These powers were abused from time to time until during King John's reign when such abuses became unbearable, the clergy, the barons and the squires revolted and the townspeople participated in the revolution. Then King John, realizing the futility of further resistance, unwillingly signed the epoch-making Magna Charta in 1215. Thus the government of law in England began. This document contains two important stipulations, namely, no taxes or dues shall be levied without the consent of the aristocracy and no person shall be arrested without cause or fined without decision by a court of law. Such provisions only represent the political demands of a small portion of the governed, namely, the privileged classes alone, not the people at large. Yet, it established the fundamental principle that the King's powers could be limited and that law instead of man, should govern. So to this day, the principle remains, and this out-of-date document also remains part of the English constitution. The United States of America exemplifies the same principle. Finding the tyranny of England no longer bearable, the thirteen colonies issued in July 4, 1776, her Declaration of Independence which, besides declaring their separation from, and independence of, their mother country, held "these truths to be self evident that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and pursuit of Happiness. That to secure these Rights, governments are instituted among men, deriving their just powers from the consent of the governed. That whenever any form of government becomes destructive to these ends, it is the Right of the people to alter or to abolish it, and to institute a new government, laying its foundation on such principles and organizing its powers in such form as to them shall seem most likely to effect their safety and happiness." From the Treaty of Paris to the promulgation of the Federal Constitution, numerous other problems besides that of federalism or Confederalism arose, hot disputes over them between the leading political parties ensued until the conclusion of the civil war finally decided that the Union must be preserved. In the last 150 years of its execution, conditions changed, no less than twenty amendments on the original have been made. But the fundamental principles of republicanism, separation of powers, personal liberty etc. remain. Dictatorship of the Proletariat, before the Sovietization of Russia, was merely Karl Marx's theory and a political program of the Bolsheviks. It has now become a fundamental principle in the Soviet Constitution. Liberty, equality and fraternity, slogans during the first French Revolution in 1789 had their principles incorporated into the various French constitutional and organic laws after the establishment of the third Republic almost a hundred years later. Other provisions may change but laws based on these principles will go down to posterity. Ten years ago, the organization of the "Corporative State" was only Mussolini's idea and a Fascist platform. Now it has become a fundamental principle of the Italian Constitution. Up to a few months ago, Hitlersim was a Nazi policy. Now it rules the Germans.

All these serve to illustrate that after each revolution, a new government based on new constitutional principles comes into existence. These new principles are either political ideals or policies of the revolutionary party. Before the revolution, they are a program or a platform which gain their recognition at the success of the revolution and which will become after its success, fundamental principles of the new constitution to be carried out by the members of the revolutionary party.

Our revolution in China has reached only its second stage. The *San Min Chu I* are still our political ideals. But when the new constitution is promulgated, they will become the fundamental principles of our constitution. For carrying out these principles, we draft a new constitution for China to be submitted to the National People's Congress for enactment and promulgation. By carrying out these principles, we will save and reconstruct China.

New Chinese Trust Company Opens in Shanghai

The Hsing Yeh (industrial development) Trust Company, a joint enterprise between the City Government of Greater Shanghai and local merchants was formally inaugurated in Tientsin Road, Shanghai, last week. Mayor Wu Te-chen of the Municipality of Greater Shanghai; O.K. Yui, secretary-general of the Municipality; K.P.Chen, managing director of the Shanghai Commercial and Savings Bank; Tsuyee Pei, manager of the Bank of China; Wang Hsiao-lai, chairman of the Shanghai Chinese Chamber of Commerce; Yuan Lu-teng, Chinese councillor of the Shanghai Municipal Council; and Tu Yueh-sen, a prominent Chinese resident of the French Concession, were among those present at the opening ceremony.

Messrs Ling Kang-hou, general secretary of the Chinese Bankers Association, O.K.Yui and Wu Tze-hsiang are acting as supervisors of the company. The company is divided into four important departments. The Ferry Administration is headed by Tan pai-ying; the Trust Department by Hu Kwei-tung; the Real Estate Department by Tung Hsing-sheng and the Insurance Department by Li Ku-fan.

Tientsin Trading Firm Opens Branch in Shanghai

A branch office in Shanghai has been opened by the China Continental Commerce Company, Ltd.—which is one of the leading import and export houses in Tientsin—in the Continental Bank Building, 10 Kiukiang Road. The branch is under the direction of M. T. Tsao; Dr. W.W. Yen is chairman of the board. The company has been in business five years, and in that time has opened sub-branch offices in Peiping, Tsingtao and Tsinanfu. The Tientsin company has four tranding departments—export, import, automobile, and coal. In exports, they handle North China produce such as skins, egg products, bristles, walnuts, seeds, cotton, medicinal herbs, etc. Mr. Tsao, the manager, is a graduate of the Harvard School of Business Administration, having received the degree of MBA in 1921. He returned to China in the same year, and in the following year he joined the Continental Bank in Peiping. In 1926 he built up the Continental Bank Warehouse in Tientsin with a total investment of U.S. $1,000,000 and made it into a profitable enterprise.

The Fifth National Congress and the N.E.C.

BY WANG CHING-WEI

President of the Executive Yuan

(By Special Arrangement with the People's Tribune)

Is the postponement of the Fifth National Congress of Party Delegates likely to give rise to any trouble?

We all know that the Fifth National Congress has two objectives. In the first place, many people hope that after the convocation of this Congress the proposal for the earlier convocation of the National People's Congress (*Kuo-Min-Ta-Hui*) will be brought up for discussion. It was originally planned to bring up the proposal for the earlier convocation of the People's Congress at the Emergency Congress of Party Delegates (*Lin-Shih-Chuan-Kuo-Tai-Piao-Ta-Hui*) which was to have been held on July 1 last. Since the Emergency Congress was not held on July 1 and since the Fifth National Congress to be held in November has been postponed, is it not therefore likely that the question of the convocation of the People's Congress will be affected? The Central Authorities had considered this question carefully, and therefore simultaneously with the adoption of the resolution for the postponement of the Fifth National Congress of the Kuo-Min Tang Delegates they decided to convene the National People's Congress in March, in the 24th Year of the Republic (1935) in accordance with a resolution adopted by the Third Plenary Session of the Central Executive Committee of the Kuo-Min Tang in December of last year. The National Government is now attending to the preparations for the convocation of this People's Congress. Preparations regarding the Law governing the election of delegates to the Congress, the Law governing the organization of the Congress, and construction work on a conference hall for the Congress are being pushed. It will therefore be seen that though the National People's Congress cannot be convened at an earlier date, the decision of the Third Plenary Session of the C.E.C. of the Kuo-Min Tang will still be carried into effect. It should also be remembered that the convocation of the People's Congress requires time. Had the Emergency Party Congress been convened on July 1, it is just possible that a resolution might have been adopted for the convocation of the People's Congress one year earlier—that is, in March in the 23rd Year (1934) instead of in March in the 24th Year (1935). In that case there would have been eight or nine months—from July to March of the following year—for making the necessary preparations for the convocation of the Congress. Since the Emergency Party Congress of Party Delegates was not held in July last, then even if the Fifth National Congress of the Kuo-Min Tang were to be held in November this year, there would not be sufficient time for making adequate preparations for the convocation of the People's Congress in March in the 23rd Year (1934). For this reason, rather than idly advocate the convocation of the People's Congress at an earlier date, the Standing Committee of the C.E.C. decided to make preparations for the convocation of the Congress in accordance with the original decision.

The ultimate aim of Party rule is the development of a democratic form of government. For this reason, what we want is genuine, and not false, Constitutional Government. For this reason, too, there is need for political education. We must redouble our efforts so as to complete our work for the period of educative government in order that we may usher in an era of genuine Constitutionalism. Though due to pressure of time the People's Congress cannot be convened at an earlier date, yet under no circumstances will further obstacles be allowed to arise from the postponement of the Fifth National Congress of the Kuo Min Tang, to obstruct the convocation of this People's Congress.

The Aim of Party Rule

In the second place, with regard to the Party itself, the Fifth National Congress of the Kuo-Min Tang has to accomplish the urgent task of consolidating the spirit of the Party in order to offer a united front for the solution of the national crisis. This may be said to be the fundamental policy that must be observed by our Party comrades in the discharge of their duties. Even if the Fifth National Congress were never to be convened, we should still observe this policy. If on the other hand the Congress is convened, there is an added reason to act in accordance with this policy. This point was brought to the attention of our comrades at the Fourth National Congress of Kuo-Min Tang Delegates which was convened after September 18, 1931. While we cannot say that nothing has been achieved in accordance with this policy, we can hardly claim that everything has been accomplished. I know that the enthusiasm of our Revolutionary comrades is very high. When they have grasped the realities of the situation, they are anxious and ready to proceed with their work. For this reason, they are ever ready to remove whatever obstacles may arise. But the same reason, complications and disputes due to differenecs of opinion are often unavoidable. During this period of emergency, we must consolidate the spirit of the Party to offer a united front in the solution of the national crisis. We must also concentrate our attention and direct our efforts towards the solution of the outstanding problems of the moment by sinking trivial differences of opinion. Only thus can we consolidate the spirit of the Party; only thus can we offer a united front for the solution of the national crisis.

Differences of opinion or even conflicts arising out of genuine loyalty to the Party are a healthy sign, if they can be solved, in accordance with the decision of the Party, by the transferring of the powers of government. For it must be remembered that with regard to any problem we must not only have a definite opinion but must also be prepared to bear responsibility. We must not merely oppose the views of others, but must be able to shoulder responsibility. For this is proper procedure in politics. In a Constitutional Government, when Party A falls out of power, Party B is always prepared to succeed it and bear active responsibility. This method should be followed even in the case of a party holding several views on some current issue. It is impossible to merely oppose others and at the same time bear no responsibility. During the past year, the Central Authorities have adopted an attitude of patience and a willingness to shoulder the responsibilities of State. And although it cannot be said that they are entirely without fault in their work, yet they cannot shirk their responsibility if there is no one to succeed them in office. In this spirit of patience, we will continue to bear the responsibility of government. On the one hand, we shall endeavor to consolidate the internal organization of the Party, and on the other secure the co-operation of the people.

The holding of a National Congress of the Kuo-Min Tang in November this year could only serve to review our work of consolidating the spirit of the Party and our efforts of offering a united front for the solution of the national crisis. In redoubling our efforts, politically, for the rehabilitation of the war areas in North China and the early conclusion of the bandit-suppression campaign, and sinking personal differences within the ranks of the Party and co-operating for the solution of the national emergency, the postponement until next year of the Fifth Nationol Party Congress cannot therefore adversely affect the affairs of both the Party and the State but will instead give us a feeling of greater security and confidence.

⁂

The National Economic Council

The Chairman and Vice-Chairman of the National Economic Council were formerly Chiang Kai-shek and T. V. Soong. A Preparatory Department was established long ago to attend to all matters pertaining to the preparations for the inauguration of the Council. Recently, it was decided to entrust the task of apportioning the proceeds of the American Wheat and Cotton Loan to the charge of the Council. Since it has been decided to employ the proceeds of this Loan for the purpose of developing the productive enterprises as well as for purposes of reconstruction, Mr. Chiang has resigned his concurrent post of Chairman of the National Economic Council so as to reassure the people that the proceeds of the Loan will not be transferred for military expenditures. The Central Authorities have now decided to appoint Sun Che-Sheng (*Sun Fo*), T. V. Soong and myself as members of the Council's Standing Committee. It is probable that we shall assume the posts in the immediate future.

With regard to the question of the employment of the proceeds of the American Wheat and Cotton Loan,

it has been decided to employ them first for the rehabilitation of the cotton and foodstuffs markets. Our cotton trade is on the verge of bankruptcy, and its rehabilitation admits of no further delay. As to the question of foodstuffs, the present circumstances are such that calamities occur not only in lean years, but even in years of abundance. Some time ago I referred to the stagnation in the wheat market in the interior of the country, and subsequently instructed the Ministries of Interior, Finance, Railways, and Industry to conduct joint investigations into the matter. The stagnant condition on the native rice market is even worse. Some people are inclined to think that the stagnation in the native wheat market is due to the importation of American wheat. But, though we have imported no American rice, why is the native rice market also showing signs of stagnation? From this we may see that the stagnation in the native wheat market must be attributed to some other causes. The detailed measures for the relief of the native cereal market I shall dwell upon on a later occasion when the plans are completed.

A number of rumors have recently found circulation with regard to the organization of the National Economic Council. Some refer to the expansion of the Council, while others allege that the Council has decided to create a great number of departments under it. These rumors now have no foundation in fact. We have now added only one Committee to the Council—namely, the Committee for Centralized Control of the Cotton Trade. We have created the committee because we intend to proceed immediately with the work of centralizing control over the cotton business. In future we may find it necessary to create another committee, the Committee on Foodstuffs. It must be understood, however, that organs are established for the accomplishment of some definite tasks. We will under no circumstances create work for the sake of the organs. Reports as to the expansion of the Council are absolutely unreliable.

Talking of the economic question, I wish to add a few words regarding the financial situation. Since the proceeds of the American Wheat and Cotton will be employed entirely for purposes of reconstruction as well as for the development of the productive enterprises, how then are we to solve the question of the military and administrative expenditures of the Government? Since September 18, 1931, it has been impossible to meet the military and administrative requirements. This fact is known to all, and it is therefore unnecessary to dwell at length on this point. It gives us great pain to recall that most of the funds of the Government were spent for the maintenance of the government organs while little was appropriated for carrying through any special enterprise. Moreover, the funds of the Government have not even been sufficient to met the maintenance expenses. If the funds are merely spent for the maintenance of the administrative organs and the military forces, instead of for the accomplishment of any definite tasks, what can such expenditures mean? It is not necessary to dwell further on the importance of expenditures for carrying through definite enterprises. One instance in point is the work of bandit suppression in Kiangsi.

While it certainly requires the expenditure of money to suppress the bandits in Kiangsi, it also requires money to rehabilitate the areas re-captured from the bandits. For the communist bandits always destroy everything—including houses, cattle, farm implements and seeds—before they withdraw from a place. Under such circumstanecs, how can we expect the inhabitants of these places to secure the means of a livelihood? Whenever we recover a district from the hands of the bandits, we always hope that the inhabitants of that district will be able to co-operate among themselves so as to offer effective resistance against the outlaws should the latter return later to re-occupy the district. But the people can find the means of a livelihood only when they possess the necessary tools. Likewise, they can defend themselves only when they are able to support themselves. How can they talk of self-defence when they do not even possess the tools which would enable them to earn a living? Therefore, after the communist bandits have been driven off from a district, the first thing we should do is to attend to the work of rehabilitating in the rural economy of that district. To rehabilitate the rural districts, it is necessary to save the inhabitants from the menace of death. To this end, we must furnish them with houses, farms, cattle, farm implements, and seeds so that they may be able to make a living for themselves. When they are able to do so, then they will be able to defend themselves against the molestations of the communist bandits.

From this we see that the work of bandit suppression depends not only on our military forces but also on our financial ability. Some people are inclined to advocate strict economy while others go even so far as to suggest a passive form of government (*laissez faire* policy). These people have evidently overlooked an important aspect of the problem. But from what source are we to secure such a fund? Since the Government is experiencing considerable difficulty in meeting the military administrative expenditures as well as the requirements for the rehabilitation of the districts newly recovered from the communist bandits, the financial stringency of the Government will thus be fairly appreciated by the public. It was for the purpose of discussing this problem with T. V. Soong and desiring some concrete measures to cope with the situation that I recently proceeded to Shanghai.

In brief, the present moment requires our comrades to work in the midst of distress and poverty. We must however carry on our duties inspite of the various difficulties. Everything may be sacrificed, but the responsibility for national salvation must not be abandoned. Every concession may be made, but the work of overcoming the present national emergency must not be slackened. And it is not for us to evade the responsibility of saving the nation from extinction.

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A MESSAGE TO THE NATION

(The following Message to the Nation was issued by President Wang Ching-Wei, October 10.)

This Day of National Independence, falling as it does in a period of national emergency, reminds us of the glorious history of the founding of the Chinese Republic through the efforts of our Revolutionary Martyrs, as well as of our present difficulties and distress. At the same time, it encourages us to strive on towards the bright future ahead. We are, therefore, resolved to accomplish the following tasks:

(1). We will strive for the productive reconstruction of the country in order to develop the strength of the people. All our efforts will henceforth be directed towards this objective.

(2). We will bear full cognizance of the world situation as well as the situation in the Far East and the status of our country, and determine the methods and procedure for national salvation and self-preservation accordingly.

(3). We will patiently adopt peaceful methods for the settlement of all domestic complications in order that they may be solved according to the dictates of Justice.

Without attempting to use high-sounding phrases, we will redouble our efforts and strive for the realization of the above-mentioned three objectives.

WANG CHING-WEI.

National Independence Day,
22nd Year of the Republic.

Mrs. Pearl Buck, Back from U.S.A., Says She Will Continue Writing

When Mrs. Pearl Buck, author of "The Good Earth," passed through Shanghai last week on the way to her home at Nanking she was asked by the reporters what her plans for the future were. She replied that she would do exactly as she has in the past, that is, continue to be the wife of Professor Buck and keep on with her writing. Professor Buck accompanied her back from America, the trip being made by way of Europe.

Questioned regarding her resignation as a Presbyterian church missionary in China, Mrs. Buck said that her relations with the governing board are at present "cordial." The incident was given much more publicity, and more fuss was made over it than it deserved, she said.

While in America Mrs. Buck lectured before numerous clubs and organizations and spoke over the radio. On their return trip to China, Professor and Mrs. Buck stopped off in Europe for some weeks. During the International Conference of Agricultural Economists, held in Berlin last month, Professor Buck presented a paper before delegates present from all parts of the world.

French Machinery for Wool Factory in Shansi

A wool tops factory will soon be started in Taiyuanfu, provincial capital of Shansi. This will be the first of its kind to be operated in China, where, up to the present, a few mills for carded wool only are in operation. General Yen Hsi-shan has ordered the whole of the machinery from France. The contract has recently been signed with a French company, "Le Materiel Technique," agents for China of "La Societe Alsacienne" of Mulhouse.

Dizzy Whirls of the Canton Merry-Go-Round

Kerosene Takes a Ride—Taxes Boosted for Upkeep and Hongkong Profits—Blueshirts or Their Ghosts Provide Divertissement—Political Hobby-Horses Teeter and Totter—Agitation Against Japan Halted But Boycott Continues With Seizure of American Timber

BY WILBUR BURTON

THE Canton scene is always changing, but whether for better or for worse, deponent sayeth not. Certainly a lot of water has rolled past the banyan-bordered Bund of Shameen since my first visit there last May. Then the Southwest Political Council was thundering in stentorian crescendo against Nanking and all its works and principal inhabitants; now its voice is pianissimo. Then the politicians were telling their heirs and assigns that the "communists will get you if you don't watch out;" now the Blueshirts are the bugbears although it is quite likely that they are as non-existent as genuine Reds have been in recent years. Then Japan was the object of all nationalistic wrath; now anti-Japanese agitation has practically ceased while all foreign-made (British and American) kerosene has been driven off the market. Not even taxes have remained unchanged; they have been increased.

I.—The War Over Kerosene

From the foreign viewpoint, the most important aspect of the present situation in Canton is the complete elimination by governmental action of the Standard Oil Company, the Texas Oil Company and the Asiatic Petroleum Company from the kerosene market, which amounts to about U.S.$7,000,000 a year. Approximately 3,000,000 cases of ten American gallons each are consumed annually in Kwangtung and Kwangsi provinces,—which is considerably in excess of the amount of gasoline used. While only the British and American kerosene have been driven from the market, the Kwang Wha Company, which handles Soviet oil products, is also affected as it entered the market last summer, but has not been able to sell its kerosene.

The tactics employed by the Canton government to oust foreign-made kerosene have been purely political. As far back as 1930 Chinese companies started importing such petroleum distillates as Diesel oil from "wildcat" American companies and refining it into kerosene, a process which does not require a great amount of technical skill since the distillates are already about 95% pure kerosene. One of the first Chinese refineries established was near Tongka, the so-called "model village" of Tong Shao-yi which he has sought to develop to compete with Hongkong. It was quite successful and since more than 60 other refineries have been established by Chinese in the Canton area although only about 10 of them are now operating.

One ton of Diesel oil will produce approximately 275 gallons of kerosene. The Chinese customs duty on a ton of Diesel oil is about Shanghai $5.50, which amounts to about two cents a gallon on its kerosene content. The duty on kerosene, however, is about 27½ Shanghai cents a gallon. The advantage enjoyed by the Chinese refiners is, therefore, obvious. But shortly after Chinese refining got well under way the Nanking government raised the duty on Diesel oil and other petroleum distillates. This caused vigorous protests from the Southwest Political Council, including charges that Nanking officials were seeking to aid foreign business at the expense of native business. Even bribery was alleged. Nanking then rescinded the increased duty in the Canton area and the Chinese companies continued to enjoy their boom.

Seeing their kerosene market slipping away, the Asiatic Petroleum Company and the Standard Oil Company established their own refineries in Canton several months ago and began to import Diesel oil for kerosene manufacture. The Texas Oil Company shared the output of Standard Oil. With more efficient production methods, the foreign companies had no difficulty in regaining most of the ground lost and the Chinese companies started seeking new ways to prevent competition, and the Canton government came to their assistance.

First the Nanking factory law of 1931 was invoked and all refineries were ordered to register under it although it had been ignored up to that time and even today has never been enforced against the Watson Aerated Water Company (British), which is the largest foreign factory in Canton. The foreign refineries, however, had no objection to conforming to the provisions of the factory law, which are far from stringent, but to register under this law would mean waiving extraterritoriality since its penal provisions would be applicable to them. So they refused to register.

The Canton government then issued an edict whereby Diesel oil, or other petroleum distillate, could not be imported except by a government permit, and such permits would not be granted except to registered refineries. Further, in addition to imposing the factory law, the government announced that a refinery could not register unless 60% of its capital was Chinese and two thirds of its directors were Chinese. Still further, kerosene could not be sold unless the brands were registered, and brands could be registered only by registered refineries. Thus the two foreign refineries were forced to close and not a drop of foreign-made kerosene is today being sold in Kwangtung province.

There is, however, some prospect of a settlement sometime. The Canton government disavows any intention of seeking to abrogate treaty rights, and the foreign governments affected are trying to effect a settlement whereby the refineries of their nationals can register to conform to the factory law without waiving extraterritoriality. Presumably if this is allowed, the other conditions for registration will not be insurmountable, although there are fears that further difficulties will arise such as new taxes on kerosene which will be refunded to Chinese factories favored by the government.

II.—More Taxes, Less Business

The latest tax imposed in Canton is 60 Shanghai cents a picul on imported rice. To the poor this is a serious matter, for Kwangtung imports about $70,000,000 worth a rice a year, chiefly from Indo-China, at about $10 a picul, which means the new tax will yield about $7,000,000 a year unless large numbers of people start substituting grass for grain.

Of course, the official Cantonese publicists have received a revelation that the tax is really not to raise money, but to protect the farmer, and that as a result of it Kwangtung rice production will be increased. It is true, as I pointed out in these columns some months ago that Kwangtung could raise more rice than at present, but the only way the new tax could achieve that would be to invest it in machinery for better cultivation of land incapable of being tilled properly with native implements and for reclaiming land now fallow for the same reason. But if the new tax should be used for such purposes most of the population of the province would drop dead from astonishment. The Kwangtung farmers are today raising all the rice they can with their available resources, and that is not enough to feed the province, so the new tax is an added levy to the cost of existence.

In addition to the rice tax, the Canton government so far this year has collected the rents in Canton for two months and six days, which is an exceedingly large levy on the landlords. The total sum thus collected is between four and five million Canton dollars. (A Canton dollar is worth about 60 Shanghai cents.) The alleged purposes of the collection are for famine relief and the purchase of airplanes. The method of the expropriation is to collect from the tenants and give them receipts to give to their landlords who can obtain bonds in return. The bonds on the open market are worth a little more than their value as waste paper, but not much more.

Of course, the government does not always get the correct rent; landlords and their tenants have a way of agreeing to false returns and then splitting the difference after the tax collectors depart.

Another new tax is a two percent capital levy on business, which at least prevents over-capitalization.

One of the effects of all these taxes is to force more and more Chinese business to move to the British Crown Colony of Hongkong. The number of Cantonese firms in Hongkong is quite astounding. Even the Bank of Canton has its headquarters in Hongkong. So does the Bank of East Asia, the National Commercial and Savings Bank, the Overseas-Chinese Banking Corporation, and other smaller intistutions, all of which aggregate approximately Hongkong $300,000,000 in capital and reserves. It is also estimated that Chinese ownership of real estate in Hong-

CHINESE GOVERNMENT RAILWAYS

SHANGHAI-NANKING-PEIPING THROUGH EXPRESS.

TIME ARR.	TIME DEPT.	STATIONS	TIME ARR.	TIME DEPT.
8.00	—	PUKOW	—	19.00
3.10	3.15	LINHUAIKWAN	23.49	23.54
2.00	5.30	PENGPU	00.38	1.08
23.25	23.30	NANHSUCHOW	3.46	3.56
20.45	21.15	HSUCHOWFU	6.15	6.45
18.22	18.37	LINCHENG	8.47	9.02
17.15	17.26	TENGHSIEN	10.01	10.04
15.05	15.25	YENCHOWFU	11.50	12.10
14.34	14.36	CHUFOU	12.41	12.43
11.46	12.06	TAIANFU	15.19	15.39
9.00	9.30	TSINANFU	18.10	18.40
7.16	7.26	YUCHENGHSIEN	20.26	20.36
5.05	5.35	TECHOW	22.28	22.58
2.51	3.01	POTOUCHEN	1.16	1.26
1.31	1.51	TSANGCHOW	2.29	2.49
21.40	22.09	TIENTSIN (C)	7.06	7.26
—	21.30	TIENTSIN (E)	7.30	—
20.20	—	TIENTSIN (E)	—	8.00
20.05	20.21	TIENTSIN (C)	8.09	8.11
17.43	17.44	FENGTAI	10.41	10.42
—	17.15	PEIPING	11.09	—

PEIPING-HANKOW RAILWAY.

7.37	—	PEIPING	20.35	—
6.42	7.02	CHANGSINTIEN	21.30	21.10
2.57	3.17	PAOTUNG	1.15	00.55
22.16	22.56	SHIHCHIACHWANG	5.57	5.17
18.03	18.23	SHUNTEH	10.11	9.51
10.16	10.36	SINSIANG	17.45	17.25
7.09	7.39	CHENGCHOW	20.46	20.16
4.14	4.34	HSUCHOW	23.44	23.24
2.18	2.38	YENCHENG	1.45	1.25
23.07	23.47	CHUMATIEN	4.53	4.13
19.14	19.34	SINYANG	8.58	8.38
15.46	16.06	KWANGSHUI	12.25	12.05
10.32	10.37	KIANG AN	17.42	17.57
—	10.20	HANKOW (Tachimen)	—	17.54

PEIPING-SUIYUAN RAILWAY.

TIME ARR.	TIME DEPT.	STATIONS	TIME ARR.	TIME DEPT.
15.30	—	HSICHIMEN	12.01	—
13.47	14.07	NANKOW	13.48	13.28
12.24	12.34	CHINGLUNG-CHIAO	15.18	15.08
6.10	6.40	KALGAN	21.12	20.52
22.49	23.19	TATUNG	4.04	3.44
18.29	18.49	PINGTICHUEN	8.00	7.45
12.50	13.10	SUIYUAN	13.30	13.00
—	8.25	PAOTAO	—	18.00

LUNGHAI RAILWAY.

20.10	—	HSUCHOWFU	—	8.20
15.53	16.13	SHANHIUHSIEN	12.25	12.50
11.55	12.15	KAIFENG	16.44	17.04
9.47	10.07	CHENGCHOW	19.01	19.21
6.05	6.25	LOYANG	23.06	23.26
3.02	3.04	KWANYINTANG	3.03	3.05
1.33	1.35	HWEIHINGCHEN	4.22	4.24
0.33	1.03	SHANCHOW	4.52	5.22
—	20.00	TUNGKWAN	9.50	—

KIAOTSI RAILWAY.

—	22.00	TSINGTAO	—	7.35
23.50	23.52	KIAOCHOW	5.50	5.48
0.23	0.38	KAOMI	5.16	5.01
2.06	2.24	FANGZU	3.36	3.15
2.44	2.50	WEIHSIEN	1.38	1.36
4.02	4.04	TSINGCHOW	0.41	0.23
4.56	5.14	CHANGTIEN	0.01	23.59
5.39	5.41	CHOUTSUN	22.00	—
7.40	—	TSINAN		

CHENGTAI RAILWAY.

19.42	—	SHIHCHIACHWANG	7.58	—
18.14	18.16	TSINGCHINGHSIEN	9.29	9.27
16.00	16.15	YANGCHUAN	12.01	11.47
14.48	14.50	SHOUYANGHSIEN	13.52	13.50
12.40	12.49	YUCHIHSIEN	15.35	15.25
—	12.08	TAIYUANFU	—	16.07

SHANGHAI-HANGCHOW-NINGPO RAILWAY.

STATIONS UP.		Express R. Through	Express R.	STATIONS DOWN		Express R.	Through Express R.
ZAHKOU	d.	9.35	18.10	SHANGHAI, N.	d.	9.30	18.30
HANGCHOW	d.	10.00	18.35	JESSFIELD	d.	9.48	—
CHANGAN	d.	10.51	19.29	SICCAWEI	d.	—	—
YEHZAH	d.	—	20.01	SHANGHAI, S.	d.	9.35	—
KASHING	d.	12.04	20.44	SUNGKIANG	d.	10.48	10.35
KASHAI	d.	—	21.10	FUNGCHING	d.	—	—
FUNGCHING	d.	—	—	KASHAI	d.	11.34	—
SUNGKIANG	d.	13.13	21.59	KASHING	d.	12.08	20.50
SHANGHAI, S	a.	—	23.02	YEHZAH	d.	12.44	—
SICCAWEI	d.	—	—	CHANGAN	d.	13.17	21.57
JESSFIELD	d.	—	22.55	HANGCHOW	d.	14.12	22.50
SHANGHAI, N.	a.	14.10	23.10	ZAHKOU	a.	14.30	23.05

NANKING-SHANGHAI LINE.

STATIONS UP		EXP. R.	THRO. EXP. Zku-Nkg R.	Night EXP. R. S.	D.T. Night EXP. R.	STATIONS DOWN		Thro EXP. R. Nkg-Zku.	D.T. EXP. R.	Night EXP. R. S.
SHANGHAI, N.	d.	10.00	15.10	23.30	1.00	NANKING	d.	10.00	17.25	23.00
NANSIANG	d.	—	—	0.05	—	CHINKIANG	d.	11.34	19.02	1.06
KUNSHAN	d.	11.09	16.25	—	—	TANYANG	d.	12.17	19.43	1.58
SOOCHOW	d.	11.59	17.17	1.54	3.14	CHANGCHOW	d.	13.15	20.46	3.15
WUSIH	d.	12.54	18.12	2.58	4.21	WUSIH	d.	14.07	21.39	4.25
CHANG-CHOW	d.	13.56	19.09	4.02	5.21	SOOCHOW	d.	15.04	22.38	5.36
TANYANG	d.	14.43	20.11	5.07	6.21	KUNSHAN	d.	15.47	—	—
CHINKIANG	d.	15.34	20.56	6.00	7.12	NANSIANG	d.	—	—	7.33
NANKING	a.	16.50	22.15	7.45	8.40	SHANGHAI, N.	a.	16.50	0.25	8.00

NOTICE

1. Children under four years of age are carried free, children under twelve but above four years of age at half fares and children of twelve years of age and over must pay full fares.
2. For Local and Through Traffic, the following free baggage allowances will be granted to each passenger:—

   1st class passenger ..... 80 kilogrammes (143 catties)
   2nd class passenger ..... 60 Kilogrammes (100.5 catties)
   3rd class passenger ..... 40 Kilogrammes (67 catties)

   Half of these quantities will be allowed on each child's half ticket of each class respectively.
3. Any weight of baggage in excess of the free allowance will be charged at the rate for the minimum quantity of 20 kilogrammes (33.5 catties) of $0.002 per kilometre per unit of 20 kilogrammes.
4. In case of any holder of Local or Through ticket who abandons his journey en route and desires a refund on the unused portion of his ticket he must apply in person, and produce his ticket for endorsement to the Station Master where the journey is abandoned. Application for refunds must be made as soon as possible after endorsement and must in any case be made within TEN DAYS of the date of expiry of the availability of the ticket which has been endorsed.

kong amounts to more than Hongkong $700,000,000. The big Chinese department stores, such as Wing On, Sincere, and the Sun Company, have their headquarters in Hongkong. Many Chinese shipping companies are likewise in Hongkong.

A large part of these huge investments, of course, belong to Cantonese politicians and militarists who for reasons quite aside from taxes prefer to keep their savings under a foreign flag, but probably the largest part is directly attributable to over-taxation and lack of security in Canton. In the case of Chinese factories in Hongkong, which are constantly increasing, the advantages of the British colony are somewhat overbalanced by the fact that Chinese customs duties have to be paid to put their products on the Chinese market. But where the Canton area is the principal market this is not as serious as it sounds, for smuggling is so well organized that deliveries are actually guaranteed by the smugglers at levies considerably less than those imposed by the customs. Much goods from overseas are likewise smuggled into Canton from Hongkong and Macao, both being practically free ports. No one can do more than guess at the total amount of smuggling; I have heard estimates from reliable observers that its totals as high as fifty percent of Canton's total imports.

A part of the smuggling has been by the Canton government itself to deprive the Nanking government of all revenue on the imported goods. Canton has long been getting all the customs surplus over her *pro rata* share for payment of China's foreign obligations, but Nanking gets nothing of the sums collected on smuggled goods. These sums have generally been about half the regular customs duties, so both Chinese and foreign merchants prefer smuggled goods when they can get them. Now, however, General Chen Chi-tang is reported to have reached an agreement with Nanking to eliminate official smuggling in return for a larger share of the regular customs revenue. This, however, will not end unofficial smuggling with a certain amount of official connivance. In fact, without any official connivance it would be almost impossible to eliminate smuggling entirely as long as Hongkong and Maaco have their present status and are practically free ports.

III.—The Blueshirt Scare

The Blueshirts, about which Shanghai already knows first hand, have Canton all a-twitter and also all a-jitter. Everyone arriving in the city is suspiciously scrutinized; soldiers with rifles frequently patrol the theaters during intermissons to inspect the audience; extra guards have been placed around the police stations and government buildings; passengers on busses are often searched; and prominent politicians profess to be in fear of their lives.

The principal mystery about the Blueshirts is whether there really are any in Canton. There have been nine executions of alleged Blueshirts, but that doesn't prove anything; in recent years there have been hundreds of alleged Reds executed who never heard of Karl Marx or of the Four Marx Brothers.

Of a half dozen competent observers in Canton I consulted on the subject, no two agreed on anything except that there were no available real facts about the scare. One deemed it likely that Nanking has sent agents to Canton to put the fear of Chiang Kai-shek into the hearts of his opponents in the Southwest Political Council; another opined that the Blueshirts were an invention of the civilian element who have been somewhat curbed recently by General Chen Chi-tang; another voiced the view that General Chen himself has raised the bugbears to get a larger subsidy from Nanking to withdraw them from circulation; still another also put responsibility on General Chen, but suggested that the warrior himself wanted to frighten his civilian colleagues and at the same time give them a new ond harmless anti-Nanking teething ring; et cetera. Take your choice of these explanation. The executions are of no importance except to the victims and their families; perhaps they were guilty of thinking the Canton government is not all it might be, or maybe they were merely slain on that profound principle of Oriental statecraft (which is not unknown in the Occident) that the letting of some blood now and then makes the masses really appreciate their government.

IV.—Politics Go On Forever

The most outstanding change in the Canton political situation during the summer has been the curbing of the Southwest Political Council which, while it has military members, is largely the mouthpiece of the civilian element with the influence of Hu Han-min being most dominant for several months. Last spring, the reader will recall, the S.P.C. was all for launching a formal southwest independence movement. General Chen, who never lets principles interfere with his personal business, was opposed because he did not believe the game worth the candle, at least to him, and he put his foot down very firmly when Nanking increased his subsidy from $300,000 (the approximate customs surplus) a month to $600,000 a month. And it is reported but not definitely confirmed that it has again been increased by an additional $200,000.

Since the first subsidy increase S.P.C. stock constantly declined until a few weeks ago it looked like the bottom was going to drop out and the anti-Nanking element would be ready figuratively, if not literally, for Chopin's funeral march. That would not have meant, of course, that Nanking and Canton would have joined hands in happy harmony, for while General Chen appears to have no national ambitions, he neither has any intention of allowing nationalism to deprive him of his green pastures. It would have meant, however, that as long as Nanking freely allowed General Chen to have his way in Canton, Nanking would not be disturbed elsewhere so far he was concerned.

But, as I pointed out in a previous article in these columns on Canton, the Cantonese civilian element is too powerful to be easily suppressed, at least for long. A few weeks ago Chow Lu, the most anti-Nanking of the civilian group resident in Canton (Hu Han-min lives in Hongkong), actually prepared to go abroad and obtained an American visa. Now, or least as this is written, he has called off his trip. To be sure, he may change his mind again. Nevertheless, the S.P.C. stock has risen considerably in the past two weeks.

One source of strength of the civilian element is the delicate balance of power prevailing among the southwestern provinces. On one side of Kwangtung is the Kwangsi military clique of Generals Li Chung-jen (who is a member of the S.P.C.) and Pai Chung-hsi. General Li is commander of the Kwangsi army and General Pai is vice commander, but actually in charge of the province. Both are formally allied with General Chen, but he does not trust either of them any farther than he can watch them. On the other side of Kwangtung is the 19th Route Army in Fukien under the command of Generals Tsai Ting-kai, Chiang Kwang-nyi, and Chen Ming-shu. While ostensibly friendly to General Chen, they are suspected of being more than willing to take over Kwangtung if they could—and the 19th Route Army is naturally revered by many persons in Canton for its record in Shanghai last year.

Should General Chen ignore his civilian colleagues too much, they might effect an understanding with either the Kwangsi clique or the 19th Route Army which would be fatal to him. The latter would probably be preferred, in which case the Kwangsi clique might support General Chen,—but at a price. So General Chen can't safely be too much of a dictator.

Now that Nanking has agreed to postpone the Fifth Plenary Session of the National Kuomintang Congress until next November—which the Canton civilian element ardently demanded, General Chen himself not really caring a rap either way,—one source of thunder has been closed for at least a year. But the U.S.$50,000,000 wheat loan remains to be distributed, wherefore Canton has found that Nanking owes them approximately Shanghai $200,000,000 for the northern expedition of 1926-27 which established General Chiang Kai-shek in power. So payment is being demanded,—and in this crusade both General Chen and his civilian colleagues should have a lot in common.

The limitations conditons in Canton impose on General Chen's power is shown in the prolonged seamen's strike against Butterfield and Swire which has resulted in the ships of this company no longer stopping at either Canton or Pakhoi. General Chen appears to be trying his best to settle this strike, but he is afraid to use force against the seamen because they constitute the only large class of organized workers in Canton and could be valuable allies in time of trouble.

V.—Anti-Nippon Agitation Declines

While the anti-Japanese boycott continues unabated in Canton, anti-Japanese agitation has declined almost to the vanishing point and Japanese officals feel that

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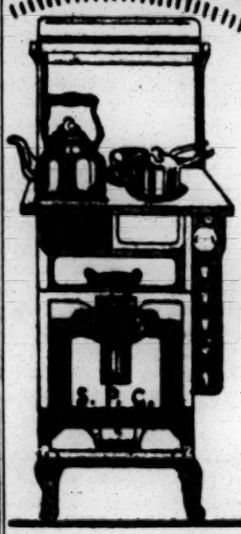

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a basis is being laid for a rapprochement with Canton. Before the seizure of Mukden, it may be recalled, the Canton clique was quite pro-Japanese and there was considerable talk of a Sino-Japanese alliance on the basis of "Asia for Asiatics" that is now being advocated by Tokyo. Eugene Chen and Dr. C. H. Kan, who is in charge of foreign affairs in the five southwestern provinces, were in Tokyo shortly before the invasion of Manchuria to foster closer Sino-Japanese relations,—a fact that has since required considerable explaining on the part of Mr. Chen.

After the Japanese started their rampage, however, Canton became more violently anti-Japanese than any other section of China, and only a few months ago it was still unsafe for Japanese to go outside of Shameen in Japanese clothes. But on this past September 18—the second anniversary of the seizure of Mukden—not much of an anti-Japanese demonstration was attempted, and that was prevented by the Chinese police.

"No immediate revival of Sino-Japanese trade is expected here," Mr. Yoshida, the retiring Japanese Consul-General in Canton, told me, "but we feel the situation is not only vastly improved, but will continue to improve rapidly. We are doing nothing toward a rapprochement, for it would still be embarrassing for any Chinese officials here to deal with us, but I believe the time is near when amity will be restored. Our policy here and elsewhere in China now is not to seek any settlement of Manchurian question—for Manchukuo is a *fait accompli* and does not need to be discussed,—but to foster close and friendly Sino-Japanese relations on the basis of the many interests we have in common."

Since Mr. Yoshida has long been a member of the entourage of Mr. Hirota, the new Japanese foreign minister, and is returning to Tokyo to join the new foreign office staff, his statement may be regarded as an official expression of Japanese foreign policy at the present time.

Not all the Canton clique have been ardently anti-Japanese, even when the conquest of Manchuria was still under way, but only those violently opposed to Tokyo have expressed themselves. The veteran Tong Shao-yi is said to favor a rapprochement with Japan, and Dr. Kan is also said to be friendly to the Japanese, though neither approves the taking of Manchuria. General Chen himself is always in favor of what he regards as expedient, whatever that may be, and is said ready whenever it appears feasible to resume friendly relations with Tokyo.

Breaking the boycott, however, will not be easy yet awhile for it is backed by much public sentiment and the National Salvation Association which is enforcing it has become a sort of vested interest that is not always very particular what goods it seizes. Recently 1,600 logs of the Dollar Company were impounded on the grounds that they had been shipped from Manchuria although there does not appear to be any reasonable doubt of their American origin. Assuredly false labels and other devices to mask Japanese goods have been common, but in this case the action of the Association has the earmarks of racketeering,—and at this writing the logs have not been released.

China's Important Men Mirrored Through Japanese Eyes

(By the Review's Tokyo Correspondent)
(Translations from various Japanese publications)

IN recent months, especially since the rise in power of Huang Fu, the attention of the Japanese toward affairs in China has come to be turned in the direction of personal criticism far more than ever.

Generally speaking, articles on the affairs of China appearing in Japanese publications give an impression of an itchy place out of the reach of scratch. The same can be said of the character sketches that follow.

Impressions of Chinese Statesmen

(By Kenkichi Yoshizawa, October number of Gendai)

There are quite a number of great men among contemporary Chinese politicians, most of whom I know personally. After the downfall of Yuan Shih-kai it was Sun Fo, Wu Pei-fu and Chang Tso-lin who left the deepest impression in my mind. They were variant and of inflexible mind and therefore worthy of confidence; by nature they did not like ranking themselves among reckless compliment mongers. Recent reports from China indicate Chiang Kai-snek's ascending to the position of generalissimo. Being still young and having political ability he may be called the most important figure in the existing situation in China.

I have had quite a number of chances of coming in personal contact with politicians, especially with diplomats, excepting those rising from military circles.

Such men as Wang Chen-ting, Yen Hui-ching, Koo Wei-chun, Lo Wen-kan and Shih Chao-chi are accomplished diplomats not a bit inferior to those of any country of the world. They have good knowledge, sound judgment and polished ability, but I am inclined to feel that their future path is studded with no meagre amount of difficulties.

Among those with whom I have had the severest wordy battle are Koo Wei-chun, Wang Cheng-ting and Shi Chao-chi. With Dr. Koo I have often entered into violent argument, but these controversies have paved the way to friendship.

It so happened that in 1923, soon after my arrival in Peking as Minister to China, Dr. Koo was appointed Minister for Foreign Affairs. Following the custom in diplomatic circles, Dr. Koo made a round of callson every foreign representative except the Japanese Legation. He gave as his reason for omitting the Japanese Legation that I had not yet presented my credentials. At that time the position of the President of the Republic had been left vacant, but this fact having nothing to do with my being Japan's envoy to China, I was greatly displeased with the Foreign Minister's partiality. So I declared at a public meeting that I would thenceforward quit recognizing Dr. Koo as China's Minister for Foreign Affairs and all diplomatic dealings would be conducted directly with the Chief Executive of the State. And I did as I promised, which aggravated the relations with Dr. Koo. Later, when China's attitude toward Japan made a favorable turn in consequence of the abated anti-Japanese movement in the North and Yangtse Valley, he proposed making a compromise. This episode would serve to illustrate one side of Dr. Wellington Koo.

Chiang Kai-shek; Whither?

(By Hitoshi Onishi, October number of the Gendai)

Notwithstanding the repeated rumors as to the impending downfall of Chiang Kai-shek and possible repetition of similar reports in future, I am confident that his ground is not so shaky at present, though there is no knowing what may happen in the chaotic Republic of China.

It is to be admitted that he has no small number of enemies on all sides, some even attempting to take his life. But his lucky star and thoroughgoing precautions have been able to prevent the outbreak of unfortunate incidents. If he takes a false step and tumbles over, his present position would instantly be undermined, but if not he may be able to retain his foothold, for he has his own groundwork built up sound and strong.

Within the Kuomintang Party constant shifting has been made among important members and it is only Chiang Kai-shek himself that has continued to retain his old position. Once he quit his office and came to Japan, but it may be called a recess for recuperation. Likewise, at the outbreak of the Manchurian incident he resigned in favor of Lin Sen, but did not loosen his firm grip on the military supreme command.

Through customary kaleidoscopic change of his attitude, the Chiang-Wang cooperation has again come round, but their combination is firmer this time than in the past, due perhaps to Wang's recognition of Chiang's actual power and consequent conciliatory attitude shown by Wang Chao-ming rather than to strained foreign relations.

That his influence upon the Kuomin Government and Kuomintang is overwhelming is because he places at his free command the military authority. He is a typical soldier born of modern China and is marvellously skilled in both military and political administration. Tuan Chi-jui and Wu Pei-fu rank far behind Gen. Chiang Kai-shek. Perhaps we find his equal in the person of the late Yuan Shih-kai. See how well he controls a host of generals under him.

None but the General could have succeeded in dealing with the situations in North China. He speedily took himself the command of the army at the unfavorable turn of the situation on the Jehol front; sent Huang Fu to the North for truce negotiation with Japan, safely establishing his reign over North China as the result; and decided to shift the North Eastern troops to the north-western districts at the Lushan conference held after Gen. Fen's unsuccessful rising in arms. In this way he tried to strengthen his grip over North China and everything promises to improve as he wishes. However, his authority is far less felt in the south-western district, although his relations with the Sinan factions has seen improvement due presumably to his bringing Chen Chi-tang to his side.

It may safely be said that what makes Chiang's military authority felt strong enough is his enjoying the backing of the Chekiang financial clique, through his being related by marriage to the Soong family. In fact it is his matrimonial relations that guarantee Chiang's position safe and sound, but it is not Gen. Chiang alone that derives benefit from them, for Mr. Soong himself is also placed in a position to act at will.

The recent events such as Soong's triumphant return from his trip to Europe and America and the opening of the Lushan conference are important enough to arrest our careful attention, but as to the Nanking Government's new Japan policy, we are induced to imagine that the much-talked-of change in China's foreign policy will amount in effect to no more than pouring more energy into domestic affairs and for that object the Government, for fear of coming into collision with Japan, sees the need for abating its anti-Japanese attitude. Until and unless the Nanking Government goes a step further and lays down an unshakable foundation for its Japan policy, no favorable turn of the Sino-Japanese relations could be hoped for. Under the existing circumstances the maintenance of status quo may be all that we can expect.

A certain person said, commenting on Chiang Kai-shek, that he has emerged from an unknown quantity to be a known quantity, meaning that he has become known so widely that there is left nothing in him which stimulates the curiosity of the people. This is all true, for he has created Chiang's Age for the past ten years making himself very popular and at the same time rendering his standpoint petrified to the same extent.

The unification of China by the Kuomintang may more fitly be compared to talking in ones sleep than to an enigma, although by this I do not mean to deny his brilliant existence as the leader of the Kuomintang and its Government. At any rate the present-day China awaits his assuming her presidential rein. His brilliant reign will last for sometime yet.

Soong, Huang and Chiang Kai-shek

(By Kan-ichi Hatano,—Chuo Koron, October number)

Since conclusion of the truce agreement our ears have got used to the name of Huang Fu as a Chinese

political magnate who best understands Japan. As everybody knows he was an adviser to Gen. Chiang Kai-shek in diplomatic affairs since 1927, until he resigned at the time of the outbreak of the Tsinan incident. After that he has been staying Shanghai doing nothing. Despite the long leisurely life which he led in Shanghai he finds himself again before the footlights of China's political stage and this is all because Chiang Kai-shek was well aware of his profound knowledge of Japan and ready to use his service in case of need. He was, as it were, the last trump card of Chiang Kai-shek. Upon the downfall of Chang Hsueh-liang following the engagement at Jehol, Chiang despatched Ho Ying-chin for military control and soon afterwards Huang Fu. Mr. Huang made thoroughgoing preparation at Shanghai, by mobilizing able authorities on Japan. On leaving Shanghai he stated, "There is none but myself who can smooth up the Sino-Japanese question. And if my endeavor should fail this time, the hope for bettering Sino-Japanese relations would be lost and my political life cut off. This is my last service to the State." What a pathetic determination this is! Such a touching utterance can be expected of only one who has nothing in mind but the welfare of the nation of which he is a member. His sincerity has amply rewarded him as is evidenced by his activities in the north. Before Huang's well preparedness various opposing influences obscured their own existence, even the opposition by the Sinan Faction proving a stray arrow. Now satisfied with these brilliant feats in the north, he went down to Lushan to consult with Chiang and Wang as to the disposal of the old North-eastern Army which is the political cancer of North China.

As everybody knows, there are two rival forces in China of Soong's anti-Japanese faction and Huang's pro-Japanese group. And it appears that the attention of the people is rivetted on this point. Views were exchanged and wordy warfares staged in regard to the question but none gives a conclusion. One thing we may safely predict is that neither Soong or Huang can put into practice his Japan policy in disregard of Chiang's will. Then, what is the intention of the General? There is no consensus of opinion on this point either. But I can confidently declare that his fundamental principle is to protect his own influence. This, however, does not necessarily represent his egoism, for it is his belief that to protect his influence is at once to be faithful to the nation.

So long as he is bent on maintaining his own power, it is but natural he will endeavor to include the district lying between Shanghai and Shihchuan Province into the sphere of his influence. Careful study of his movements since the Manchurian incident will throw light upon the whole situation. Since it is the communist army that menaces this Shanghai-Shihchuan district, it is not at all unnatural that Gen. Chiang Kai-shek dared not make a long expedition to the north. The failure of his anti-Japanese economic policy was proven by the Shanghai incident, which produced a crack in his foothold, dealt a death blow to Chinese economic and industrial activities and shook the foundation of the Chekiang financial clique, whereas the loss sustained by the Japanese financial world was so negligible that it was made good with no fuss. Chiang Kai-shek is too wise to repeat the foolish attempt and invite another loss to the nation and himself.

High Courts in China Are Instructed to Be Liberal in Granting Bail

In a circular order to the various Provincial High Courts throughout the country, the Ministry of Judicial Administration Oct. 8 instructed that judges shall hereafter refrain from ordering the detention of persons accused of crime or violation of law in all cases where it is not absolutely necessary. Persons liable to detention may be admitted to bail, or be released upon their domicile being restricted by the Court or by handing them over to the charge of their family. In many instances, the order continues, the judges have often ordered the detention of an accused in cases where it is absolutely unnecessary, or have demanded such excessive bail or cash tecurity that only a few accused are in a position to avail shemselves of the advantage provided by the system of bail. The order instructs all judges hereafter to apply the system of bail to the fullest possible extent.

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American Official Sets a Fine Example

BY PAUL K. WHANG (汪仲芳)

WE have been told that Dr. Arthur E. Morgan, chairman of the U. S. Government organization which is going to develop the Muscle Shoals project, has filed, before he began his new job, a complete statement of the property, real and personal, owned by himself and members of his family, and that when he leaves office he intends to file a similar statement. By so doing, he proposes to make it clear that he does not profit personally, directly or indirectly, by his working for the government.

Dr. Morgan has set up a fine standard which should be adopted by all men in public life. His efforts to arrest the decline of official morality and ethics should be highly commended, the more so, because he has acted of his own accord. As a single swallow can not make a Summer, so a lone honest official can not make a clean government. Therefore, if we are not mistaken, Dr. Morgan has had two objects in view in setting up his standard: To prove beyond suspicion his own honesty and integrity and to establish an example for his colleagues to follow.

At the time when the evil and corrupted practices are the order of the day and no government in the world can claim itself to being clean and honest, there is much to be said in favor of the adoption of Dr. Morgan's example by all the government officials. It is even urged that every public servant at the time of his entering into as well as leaving the government service should be compelled to file statements of properties owned by himself and members of his faimly so as to prove himself that he has not taken advantage of his official position to enrich himself either directly or indirectly. In saying this, I do not, however, mean all men in public life without exception have perpetrated evil and corrupted practices. But nowadays honest officials are as rare as hen's teeth, and the people are apt to suspect the conduct of any government official, no matter how honest he strives to be. Therefore it is well for the honest officials to set up a standard by which they can prove their honesty so as to differentiate them from others in the eyes of the public.

It is expected that many other officials will follow Dr. Morgan's example in filing their statements of properties. In order to guard against any evil practices on the part of unscrupulous officials, it is a timely suggestion that all statements to be accepted must be checked and audited by the certified public accountants. In this way, the unscrupulous officials can not make falsified entries in their statements for the purpose of deceiving the public.

Chinese Officials Have an Example

Dr. Morgan's example should be especially recommended to Chinese officials, because it may be served as a useful means to uphold morality and ethics in Chinese officialdom. Since the establishment of the National Government, we have become tired of hearing such slogans as "The establishment of a clean and honest government", and "Down with corrupted officials"; but these high-sounded slogans have apparently had little effect in thwarting the avidness and selfishness of our men of public life. Although many of the government officials have been outspoken and eloquent in condemning the evils and corruptions of the past regimes, they, nevertheless, have openly accepted bribes, "sold" government offices and committed such atrocities which the officials of the past regimes dared not perpetrate.

It must be noted that morality and ethics of Chinese officialdom were on a very high plane in the bygone days. The teachings embodied in the old Chinese classics in respect of the good conduct of men in public life exerted a great influence in upholding the honesty and integrity of government officials. Many of the emperors, in guarding men in government service from evil practices, even laid down a rule that the purchase of landed properties by the public servant was prohibited. Moreover, the censors were always on the alert to wield their power of impeachment to hunt down any notorious character no matter how high and influential his position was. And the writers, in their writings, were also bold enough to denounce the wrong doings of corrupted officials.

All these influences contributed very much to upholding the official morality and ethics. Futhermore, the public opinion, although under the rule of kingship, was eloquent; and the people never failed to pay proper tribute to the good and honest officials by either setting up a tablet or building a temple to preserve their memory of gratitude. Many of these tablets and temples have been handed down even to the present generation after the rise and fall of many dynasties..

Thus in the old days it was nothing strange that a government official after gradually rising to the rank of premiership remained poor at the time of his retirement and had to live on state pensions. Yen-tse, the premier of the State of Chi at the time of Spring and Autumn, 722 B.C., wore the same fur coat for thirty years. Chu-Ko Liang, the premier of the West Shu of the Three Kingdoms, A.D. 122-265, left only several hundred mulberry trees at the time of his death. These instances amply illustrate how frugal and honest were the officials of the ancient time.

During the closing days of the Manchu Dynasty, corruption and evil practices among the officials became more frequent, but the situation was still not as bad as it is today. Prince Ching, the most corrupted high official of that time, had a fortune of merely three million dollars when all his properties had been accounted for and audited by the censors of the government. It was a shock at that time that a government official could accumulate such a big fortune by means of his official position. But such an amount will be considered as merely a fraction in comparison with the huge fortune amassed by the present officials.

War Lords and Officials Accumulate Huge Fortunes

Since the downfall of the Manchu Dynasty, the situation has been going from bad to worse. The warlords have openly seized the national revenue and imposed heavy taxes upon the people in order to fill their personal coffers. In following their example, the civilian officers have openly accepted bribes and "sold" government offices at a price. It is quite common that many of the warlords and politicians at the time of their death or retirement have accumulated a fortune of eight figures. The extent of their fortune would remain a mystery, but for the fact that at the time of their death, their wives and concubines have more often than not staged a legal battle in fighting for their respective shares of inheritance.

The establishment of the National Government has only made the situation still worse. Besides the warlords and politicians, we have had a new class of people who have exacted money from the public under the banner of the Kuomintang Party. We have already too many instances in which a government official or a Tangpu leader has become a millionaire in a very short time by either misappropriating the public funds or accepting bribes. It now transpires that any aspirant to the government office can not secure his appointment unless a price be first paid; and that after he gets his appointment, he will in turn demand a price from his subordinates so that he can make a profit out of his political investment.

To be an official seems to be the shortest way to get rich quick. It is the ambition of the young students as well as the old merchants to enter into official life and amass a fortune overnight. The teachings of the old Chinese Classics have lost their spell over the modern officials; the public opinion is no longer respected; the eloquent writers are warned not to be outspoken at the peril of losing their lives; and the Supervisory Yuan, the censors of the present government, is impotent in instituting any impeachment against the influential official, thereby becoming a superfluous organ.

It is generally known that most of the high government officials have owned palatial houses in foreign settlements and concessions. A few political leaders have accumulated such great wealth that its extent will never be known to the public until after their death. It is really a pity that while the people have been bled white, the officials have been living amidst luxuries and wealth. Under this circumstance, how can we expect the people to be satisfied with the rule of the present government?

It is long overdue that the National Government should purge all the corrupted officials from its ranks and files. As a step to regain the lost confidence of the people, the officials of the Nanking government should follow Dr. Morgan's example in filing statements of properties owned by them and members of their family at the time of their entering into and leaving the government service so as to prove their honesty and integrity to the people. Since they are the public servants, the people have the right to know whether they profit personally, directly or indirectly, by their work for the government.

Shanghai, Oct. 2, 1933.

National Economic Council Formally Inaugurated at Nanking

T. V. Soong, Minister of Finance, accompanied by Dr. Ludwik Rajchmann, liaison officer for technical cooperation between the League of Nations and the Chinese Government, arrived in Nanking from Shanghai by airplane Oct. 2.

The National Economic Council was officially inaugurated at Nanking Oct. 4, when Presidents Wang Ching-wei, Sun Fo and Minister T. V. Soong formally assumed their posts as members of the Standing Committee. The Council issued a manifesto stating that as the cotton trade is of special importance to the plans of the State as well as the livelihood of the people, a Committee for Centralized Control had been created. The manifesto asserted that the biggest leakage the country suffers is from the import of foreign cotton while the native cotton mills are in a precarious condition. The reason for this state of affairs, it was argued, is that the Chinese cotton trade has not been able to keep pace with world progress. The farmers, on the one hand, are unable to meet the requirements of the mills, while the latter are unable to satisfy the demands of consumers. All cotton dealers, the manifesto urges, should mobilize their entire resources for the accomplishment of this important task. The Government regards it as its settled policy to protect the interests of the workers, but those who are incapable of improving their skill and who are always clamoring for better treatment will only be regarded as obstacles in the way of economic development.

Customs Loan Not to Be Floated on the Market

With regard to the issuance of the $100,000,000 Customs Loan, it is announced that the bonds will not be floated on the market (so as to avoid the depreciation of other government bonds), but will be deposited in the banks as security for a loan from the banks concerned. The entire loan is to be redeemed in 150 months, that is, by the end of March, 1946 (35th Year of the Republic). The notes will be issued in four denominations, namely, $10,000, $1,000; $100; and $10. To meet payment of interest and redemption of principal, a definite portion of the increased Customs revenue will be earmarked by the Ministry of Finance and deposited monthly by the Inspector-General of Customs into the account of the National Loans Sinking Fund Commission at the Central Bank of China.

Negotiations for using the newly issued $100,000,000 Customs loan bonds as security for a new advance of $50,000,000 by the local Chinese banks are still going on between the Ministry of Finance and the local bankers, according to the *Sin Wen Pao*. The bankers have not yet reached a definite decision, although the year expected to accept the proposal.

A Plea for Increased Cotton Production

The *China Times* comments: "We look to the authorities to relieve our country from exploitation by the Japanese. To prevent this it is imperative that our cotton production shall be increased and technical reforms introduced into the industry. Now that the National Economic Commission has formed a special committee for national control of the cotton trade, it must devise measures to expand the market for Chinese cotton, to remove all the economic and political obstacles hindering the development of cotton production and to make plans to beat foreign competit on."

Reports that the Mitsui Bussan Kaisha or any other Japanese firm had been requested by the National Government to become an agent for disposal of cotton under the American loan agreement were authoritatively denied by a Government spokesman in Nanking Oct. 4.

Committee Appointed to Control Cotton Trade

The National Government issued a Mandate Oct. 6, appointing the following to serve as members of the Committee for Centralized Control over the Cotton Trade (under the National Economic Council):—Chen Kwang-fu, Li Shen-po, Hsieh Chi, Tang Sing-hai, Tsou Chiu-wen, Chen Li fu, Yung Tsung-ching, Chang Kiang-au, Tu Yueh-sheng, Pei Sung-sun, Chang Hsiao-lin, Kuo Shun, Ho Ping-hsien, Hu Yun-an, Liu Ying-sun, Fu En-lin, Wu Hsing-ya, Nieh Lu-sheng, Mu Hsiang-yueh, Chen Po-chuang, and Li Hao-chu. Messrs. Li Shen-po, Hsieh Chi, Tang Sing-hai, Tsou Chiu-wen and Chen Kwang-fu (K. P. Chen) were designated as members of the Standing Committee, with the last-mentioned as concurrently Chairman.

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Another Year of the Republic

BY C. Y. W. MENG (孟長泳)

WE have just celebrated the 22nd Anniversary of the Founding of the Republic. This Young Republic of the Orient is one year older. The occasion should be celebrated because the rise of modern democracy in China really constitutes the marvel of the 20th century. The first shot in Wuchang (in Hupeh Province) now goes down side by side with the Fall of the Bastile and the Declaration of Independence in the annals of human history. While Equality, Liberty and Fraternity is the motto of the French Revolution, and Equality of all Men is the motto of the American Revolution, Independence, Equality and Liberty is the motto of the Chinese Revolution. The People's Revolution in China, as it is generally known, is far more significant than that in any other country in the world in that it represents a revolution of one-fourth of the people of the world! Through his 40 years' efforts, Dr. Sun Yat-sen, the Father of the Chinese Republic, at last brought about the downfall of the autocratic form of government which had been in existence in China for more than 2,000 years, and substituted for it a constitutional democracy. China has surprised the world with her debut into the family of modern democracies!

A Period of Internecine Warfare

But, unfortunately, the Revolution, instead of bringing about comparative peace and order, so that this infant Republic could have an opportunity to survive and grow, has plunged the country into the testing crucible of internecine warfare. Instead of having done away with the "imperialistic yokes," the Young Republic is faced with the perils of the concerted "invervention" of the western powers for the protection of the so-called treaty rights and interests. Instead of giving China her fullest sympathies, the Island Empire has always looked upon the Chinese Revolution with jealousy, and has since been taking steps to put up obstacle after obstacle with the object of preventing the Chinese from making any progress.

For more than once, the existence of this Young epublic has been threatened, due to attempts on the part of Yuan Shih-kai and Chang Hung to restore the monarchy. When the situation was saved, it was only followed by the military despotism of the "tuchuns" (military governors), culminating in the division of the country into North and South. From 1912 to 1926 was a period of meaningless, internecine warfare, which inflicted more suffering to the people. As a result of political unrest, civil strife and war and the maintenance of excessive hordes of armed forces, which are good only for civil war, the national treasury has been woefully depleted, practically facing bankruptcy and foreclosure. Under such a condition, there is no wonder that we hear the saying from old-aged people that the "Manchu Regime was better than the Republic."

The Nationalist Movement

But the launching of the Northern Expedition in 1926 marks a new epoch in Chinese history. Eventually the North and South were unified, not so much by the military success of the southern leaders, but rather due to eagerness on the part of the people for peace. In the next year, the North-Eastern Provinces (Manchuria) were also brought under nationalist control.

Since 1926, though there have been many hopeful signs to form a more "perfect union" and to have a "period of enlightenment," nevertheless, internecine wars, have occurred, one after another. The attention of the Central Government was devoted to the "suppression of rebels." Huge bond-notes were issued; not a cent has gone for the reconstruction of the country, but all for military expenses for the civil wars. It is reported that the Chiang-Feng war alone in 1930 cost about ten million dollars, which, if properly used, would have been sufficient to build medieval Nanking into a modern Capital. Under such conditions, undoubtedly, there is no improvement that could be spoken of and no project could be put into execution.

However, there is a difference between the civil wars before 1926 and those after 1926. As stated before, the civil war before 1926 was only "meaningless and internecine warfare." But the war after 1926 was fought with some meaning.

Centralization or Decentralization?

The situation which faced China after 1926 is exactly the same as that which faced America after the Declaration of Independence. After the Declaration, America entered into a period which is well known in American History as the "Critical Period." The Americans were divided into two parties, one favoring the "federal form of government" or to put it in simple terms, a "strong centralized government," and the other favoring the "republican form of government," or the "decentralized government." Some extremists advocated a form of government in which the chief executive and the senators should hold office for life and in which the executive should have the power not only of vetoing legislation by the states, but also of appointing and removing the governors of the states, thus reducing the states to mere administrative departments of the national government like shires in England and departments in France. James Madison of Virginia proposed that the Constitution should be amended so as to give the United States full authority to employ force by sea as well as by land to compel any delinquent state to fulfill its federal obligations, or put in other words, to pay its share of the federal assessments.

Hamilton's followers were called Federalists, and President Washington, Vice President Adams, were all leading members. They advocated a "strong centralized government." The idea was to have one government for the people by a trained statesmen allied with the great property holders, while Jefferson's idea was a government for the people. In other words, America after the Declaration, was engaged in a period of adjusting herself to the new conditions, that is, whether there was to be centralization or decentralization of authority. The same struggle is going on in China.

Failure of Dictatorship

General Chiang Kai-shik has often been accused by the people of being a dictator. Nanking and Canton were again divided. But the resignation of General Chiang as the chairman of the National Government in 1931 marked the complete failure of his attempt to unify the country by means of military forces and to carry out the dictatorship. From then on, the Chinese leaders advocated a policy of unifying the country through the "economic" development of the country.

But it is not infrequent that the petty and recalcitrant militarists in different provinces still resort to war measures as a means of settling their differences, making the Central Government only a Compromising Organ. There has been no war between the Central Government and the "rebels," but there have been "many" wars among the militarists, either fighting for territorial control in defiance of orders, from the Central Government, or for killing each other. Even during the present national crisis, the provincial militarists are never willing to lay down their arms and turn their attention to the foreign aggression.

Indeed, it is very painful to think any more about the past history of this Young Republic during these 22 years of existence. It is only a bloody struggle of the people of the same race, caused by the most tremendous political and social changes that have ever occurred in her history, and such a struggle can only bring about the destruction and sufferings to the people, whose plight is already pitiful enough. Let us, therefore, cease talking about the past and turn our attention to what will happen in the coming year of the Republic.

An Appeal to the Chinese

First, from our experience, we know that the sole trouble is that there is no "unity" among the Chinese, no unity among the Chinese leaders, and no unity between the Government and the people. As a result of this the very existence of the Young Republic is endangered. Now circumstances permit us to stop quarrelling among ourselves. We have to sink our past differences and to unify ourselves in one way or the other in our efforts to put our house in order. As a matter of fact, the Sino-Russian crisis which broke out three years ago should be sufficient to cause the Chinese and Chinese leaders to lay down their arms and to present a united front against the foreign and common foe. If we read the history of any country in the world, we find that any trouble with a foreign power has always proved "a blessing in disguise" to the country as the people have been forced to forget all their personal differences and to make common cause against the enemy. The Americans of the North and South were not really unified until the American-Spanish War in 1898, Germany was not unified until her war with France in 1870. Japan was not unified until her

wars with China and Russia. But China has been an exception. Even during the present Sino-Japanese hostilities, the outbreak of civil wars among the militarists is still frequently reported. Worst of all, the present Sino-Japanese crisis, instead of having the effect of inducing the Chinese leaders to work in harmony, has caused the Chinese leaders to "split" into two different camps. They are now attacking each other, with no intention of coming together to have a heart-to-heart talk over the present situation. Such a situation, to be sure, only gives a good chance to the Japanese. The Chinese as well as the Chinese leaders should be fully aware of this. So we appeal strongly to the Chinese and leaders for unity and concerted action to save this Young Republic and pull China out of the fire. We should not allow the Sino-Japanese crisis to cause another political turmoil in the country.

Centralization Wanted

Secondly, the authorities of the Central Government at present are really too weak. With the exception of a few provinces near Kiangsu the Central Government has practically no control. They are still under the rule of the militarists. China should know that she is now facing the same situation as America faced before, after the Declaration; but we should see how the Americans solved the situation. The problem was:—Should America, during this critical time, first have a strong centralized government capable of governing all states internally, facing all diplomatic negotiations externally, so as to be able to stabilse herself at once; or should America have a decentralized government, during this critical time, as a result of which America would have to witness many years of internecine warfare, the reason being that if at the beginning of the formation of a union the central government is not strong enough, it can not control or subdue all states or provinces, and a more perfect or solid union would be impossible. So it is fortunate for America that the Federalists' party got into power and a strong centralized government was adopted. What is the result? The answer is Peace was secured with foreign countries, credit was restored abroad and the finances set in order at home; a navy was created, domestic manufactures were encouraged and foreign trade stimulated. So we strongly recommend that China should have a strong, stable and centralized central government during this trying period!

Thirdly, many adverse criticisms have been advanced against the adoption of a dictatorship in China. As a matter of fact, the system of dictatorship is not unsuitable to China today. Had the strong hand of Washington been withdrawn from the American government at that critical time, the work of the Revolution might have been ruined by the strifes of parties before it had time to prove its worth. Washington was reviled as "Tyrant, Dictator, and Despot." Germany today is also ruled by a dictatorship under Herr Hilter; so is Italy. Therefore, it is safe to say that the system of dictatorship is needed in China. But what is important is that China needs a dictator who is "unselfish, impartial, national-minded," knowing only the welfare of the nation, above all party interests, and planning only to do whatever he can to elevate the present condition of the country!

A Period of Internal Development Necessary

Fourthly, the Chinese should realize that the real salvation of China today lies in her "internal development." Look at the history of Japan, or any other country, and see how the Island Empire, once only a coaling station for ocean steamers, was able the to become a first-rank power in about 40 years. This was the result of the efforts of her leaders who banded themseleves together to work for the welfare of the country. China should begin to enter a period of "intensive, vigorous internal development." China is a very backward country, so China has to redouble her speed in her internal development!

The Year 1934, a Turning Point of Chinese Diplomacy

Fifthly, from the diplomatic side, the year 1934 should open a new era in Chinese diplomatic history, which, so far is only a long history of defeats and humiliations. The Sino-American Treaty will expire in the early part of 1934, while the Sino-British Treaty will be expire a little earlier than that. Are we prepared to meet the situation? Are we going to take advantage of the situation? So far we are very much disppointed because China really has adopted no definite foreign policy and the Chinese have proved to be very clumsy in diplomacy. In times of peace, China adopts a policy of

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isolation; but in the time of crisis, China asks everybody for help. Who is going to come to her aid? Long before the Japanese armed invasion of Manchuria keen observers could see quite clearly that Japan would soon invade Manchuria. Why did China not take steps for the eventuality? If China is aware of the situation, why should China isolate herself by going to war with Russia merely because of petty troubles? China is bordered by two powerful neighbors, one of whom is conspiculously aggressive. China should know how to cope with the situation. Why should China make enemies of both?

As we know, practically all small powers have agreed by new treaties to abolish extrality in China under certain conditions. Only the big powers such as America, Great Britain and France, with the exception of the old promise made 30 years ago (1903), have made no new promise in this direction. If these "big three" take no initial steps, the negotiations with other powers are likely to come to a standstill. China should now take advantage of the expiration of the Sino-American-British treaties to remove many other special rights which were given out by the out-of-date treaties. As soon as these big powers yield to the Chinese aspirations, the other powers are sure to follow. Germany is in a more pitiful plight than China since 1918. But through her diplomacy, Germany has removed many of her treaty restrictions. Why should China not wake up and be more vigorous and firm in her negotiations with the powers?

A New Era in Chinese History

In other words, China is not hopeless. What is neeeded is unity, and true patriotism on the part of the Chinese people. Let us hope that the 23rd Year of the Republic will open a NEW ERA in Chinese history, because China will be united, and peaceful, happy and prosperous, free of the shackles of feudalism and imperialism, respected as well as honored in the Family of Nations!

Nanking, October 6, 1933.

Anti-War Delegates Depart for Europe via Vladivostock

The delegates sent to Shanghai in August, by the World Committee Against War for the purpose of holding a United Front Anti-War Conference in Shanghai, have given up the idea of holding a Conference. They departed last week for Vladivostock, enroute to Paris.

Gerald Hamilton of the British delegation, said that the delegation was not at all dissatisfied with what it had achieved through informal and private conversations and exchanges of views with prominent leaders in Shanghai.

Lord Marley of the British delegation, in an address at the Foreign Y.M.C.A. Sept. 28 said, "The Shanghai Municipal Council, of course, is a horrible bit of work. It does not work, in which it resembles the House of Commons, but I think it manages to leave more to its permanent officials than other bodies are prepared to do." Commenting that a system which called for superhuman knowledge from ordinary politicians was asking too much, he suggested that the task of Ministers should be the direction of policy only, leaving departmental experts to circumvent difficulties.

"Democracy a Sham in China"—Marley

Lord Marley in the course of a speech given before the American Returned Students Association at the Chinese Y.M.C.A. said the so-called democracy of to-day is a complete sham everywhere in the world, and especially in China, where over three-fourths of the population do not even have enough to eat to keep alive. Lord Marley expressed doubt as to whether the teachings of the West had done or could do much good to China.

The activities of Lord Marley and his associates brought forth the following comments:

Thus the *North China Daily News*:—"As a perplexed champion of humanity Lory Marley may deserve sympathy when he propounds his doubts and fears. They find echoes in many minds. As a too frivolous juggler with the explosive weapons of a crude revolutionary mania he fails to impress the observer. From his emotional empiricism real statesmanship may eventually be evolved. In the meantime he should submit to the privacy of the laboratory.

Thus Helmut George Ternow:—"If Lord Marley should not know it: Communism is the collective expression of the inferiority complex of a decaying nation, and men like Lord Marley and his international backers hope to profit by it, sitting at the top, directing policy and exploiting the weaklings below."

Thus "F. D. Z:"—"I entirely agree that the wars that we see threatening to-day should be prevented if possible. These are wars of self-aggrandizement, of national glorification, of mutual jealousy and distrust. All intelligent men should refuse to join in such wars. But the Anti-war Movement is meaningless and misleading. Some wars are condemnable; but to seek to do away with all war is suicidal and impossible."

Anti-War Delegates Meet Clandestinely

Despite the official prohibition against holding a meeting either in the Chinese, International or French jurisdictions of Shanghai, it was announced Oct. 2 that the anti-war delegates had held a meeting clandestinely in a private residence Sept. 28, some 60 delegates being in attendance. Mrs. Sun Yat-sen made the principal address. She declared that the Kuomintang is trying to cripple the Chinese masses' power of resistance and that the road to national revolutionary war against Japanese and other imperialists lay through the overthrow of the Kuomintang regime. Lord Marley presided. He made a general report on the situation in the Far East. Reports were subsequently heard from the chief Manchurian delegate. Reporters from various Shanghai factories—cotton, silk, iron,—an unemployed seaman, a carrier coolie and several others gave reports on their working conditions. A long report was also made by a representative of the Red Army in Kiangsi who described the organization of the Central Soviet Districts and the Red Army.

Trebitsch Lincoln issued an emphatic denial of a statement allegedly made by Gerald Hamilton that the clandestine meeting had been held at Lincoln's home in the French Concession.

Shortly after the departure of the Delegation, it was discovered that Chinese supporters of the movement had been issuing a publication in Chinese known as *Anti-War News*. The address of the publishing office was given as House 53, Yung Ching-fong alleyway, off Taku Road. In one of the issues appeared an account of the meeting held in the Chinese Y.M.C.A., Szechuen Road, on August 31, when Chinese laborers, shop assistants, and students, said to represent 16 organizations, resolved to re-organize for the welcome of Lord Marley and his comrades the local committee originally formed to welcome M. Henri Barbusse, the French left wing writer.

Moscow Says Ottawa Conference Has Caused New Complications

Moscow *Pravda* comments: "The net economic result of the Ottawa conference proved insignificant. The maneuvers carried out by British Imperialism and the pretext of consolidation of the British Empire, which were actually directed against U.S.A brought the British neither fame, nor success in the Dominions. They have, however, become a cause of new complications and conflicts undermining British trade in other countries."

Debt Negotiations Between U.S.A. and Britain Await Forthcoming Session of Congress

In connection with the debt negotiations between Great Britain and America, a recent London message stated that the opinion in Washington is that the question of stabliziation, and possibly tariff concessions to America by Great Britain, will overshadow the debt negotiations. The decision on the question of debts, it is to be remembered, rests with Congress. The British expect no change in the adamant attitude previously taken up by Congress.

The Significance of the Recent Mitsui Changes

The Japanese Press attaches much importance to the appointment of Nariakira Ikeda, managing director of the Mitsui Bank, to one of the three managing directorships of the Mitsui Gomei Kaisha, which controls all Mitsui undertakings. To quote the *Asahi*, this will mark a drastic change in the policy of the Mitsui interests, and by offering an opportunity to outsiders to participate in their enterprises which have already attained adequate progress, they will turn their attention to new enterprises which can only be cultivated by strong financial interests.

$12,000,000 Loan to Build Chekiang-Hunan Railway

The *Shun Pao* says a $12,000,000 loan (at 6 percent) will be issued by the Kiangsi Provincial Government on January 1934, to finance the construction of a railway between Yushan, in Southern Chekiang, and Pinhsiang, in Eastern Hunan, by way of Nanchang.

British Chemicals Head Says West Knows Little of East

Sir Harry McGowan, K.B.E., Chairman of Imperial Chemical Industries, Ltd., arrived in Shanghai during the week. Imperial Chemical Industries, Ltd., was founded in 1926 by Sir Harry McGowan through the amalgamation of the joint interests of Brunner, Mond & Co., Ltd., Nobel Industries, Ltd., the United Alkali Co., Ltd., and British Dyestuff Corporation, Ltd., in conjunction with the late Lord Melchett, then Sir Alfred Mond, who became the first chairman of the company. It has a capital of £75,000,000. Sir Harry in an interview stated. "With its vast resources and enormous population nothing can stop China's industrial developmeat, and I hope it may be possible for British manufacturers to become associated with Chinese interests, in this great work."

Sir Harry McGowan spoke at a dinner given in his honor at the Cathay Hotel Oct. 9, by R.D. Gillespie, Acting Chairman of Imperial Chemical Industries (China) Ltd. The speaker said that even his very short stay in the great country of China left the impression very definitely in his mind that people in the West know little or nothing about it, and on his return to England he would do what he could to induce leaders of industry there to make a visit out here. With the necessity of making important and prompt decisions it is insufficient to send out subordinate officials whose reports are very often pigeonholed and their recommendations not acted on, he said. With rapidly changing economic conditions he expressed the opinion that it is essential that the chiefs themselves of industrial corporations at home should get into personal contact with what is going on throughout the world, as it is only by so doing that they get a proper perspective, which cannot be obtained by correspondence.

Sir Harry said China's desire to develop her home industry was to be commended, and is inevitable, but it is obvious, he said, to everyone that financial help is much more readily given when political stability is assured. He cited the present position in his own country as a confirmation of that statement. "What the world wants to-day," said Sir Harry, "is a lead in wise spending rather than a continuance of the economy campaign which has been practised for the past two years and not in some countries with the best results; of course that will depend on confidence being restored, which I am afraid can only come from more political stability than we see to-day and a cessation from warlike preparations. Therefore let each of us do what we can in whatever sphere we are to help in these vital matters."

Much Misinformation in America About China

Mrs. Mary C. Hale, president of the China Society of New England, who is at present in Shanghai said in an interview: "There is so much misinformation in America about China and the Chinese people that I decided to come here to get in touch with those who are really the 'wise men of China' in an endeavor to reach a true understanding of the country and the people that live in it."

Chapei Insurance Claimants Continue Campaign

The campaign which is being carried on by Chapei fire insurances policy-holders for the payment by the companies of damages resulting from last year's Sino-Japanese hostilities was carried a step further at a recent meeting of more than a hundred claimants. Five representatives were appointed to proceed to the Bureau of Social Affairs of the Municipality of Greater Shanghai and inquire into the results of the mediation which had been promised by the Bureau.

Several representatives of claimants later visited the Chinese Red Cross Hospital to offer their sympathies to one of the claimants who is recovering from injuries which he alleged were caused by the Shanghai Municipal Police.

Industry Ministry Orders Armed Fishing Boats from Germany

The Ministry of Industry has ordered seven modern type fishing boats from Germany, at a total cost of $1,200,000. It is said that these new boats are being equipped with fire-arms and so will be capable of serving as patrol boats as well.

The Industry Ministry is also drawing up plans for the establishment of a Fishery Bank, with a capital of ten million dollars. Half of this sum will be raised by the merchants engaged in the fishing industry.

In the United States Court for China

In re. Estate of MIGUEL MORALES, ALIAS M. M. TORRECILLAS, Deceased

Cause No. 3565

Special Proceedings No. 924

NOTICE—AMENDED

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of MIGUEL MORALES, ALIAS M. M. TORRECILLAS, deceased, present the same with vouchers to the undersigned on or before November 4, 1933, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Shanghai, China.
October 9, 1933.

Chauncey P. Holcomb,
Administrator,
12 Kiukiang Road,
Shanghai, China.

In the United States Court for China

In re. the matter of the Estate of ANNA SYKES Deceased

Cause No. 3576

Special Proceedings No. 925

NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of ANNA SYKES, deceased, to present the same with vouchers to the undersigned on or before March 30th, 1934, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Shanghai, China, September 20th, 1933.

JAMES Y. McGINNIS,
Administrator, care of
James B. Davis, Schull,
Davies & N. E. Lurton,
74 Szechuen Road, Shanghai, China.

Big Drive on Reds in Central China Impending

(From The Review's Correspondent at Hankow)

The Nanchang airdrome was officially completed Oct. 3 and hundreds of the 30,000 workers received praise and prizes from General Hsiung Shih-hui, chairman of Kiangsi province, who personally directed its construction, for their exceptional enthusiasm.

General Chiang Kai-shek is reported on a tour of inspection of the various front line troops. On the 1st of October he was staying at Fuchow, Kiangsi, whence he was proceeding to Nanfeng.

Two hundred Reds attempting to cut the Fuchow-Ihwang highway were routed, resulting in the capture of their leader at Ihwang. Government troops wounded in the encounter, were rewarded to the tune of $20 a person.

Another report from southern Kiangsi states that troops under General Wang Tsang-ping defeated a band of Reds, who have been fortified in Cheng-tse-pao. The Reds have fled to Hui-chang on the Fukien-Kwangtung border.

Rehabilitation Schemes Being Carried Out

Rehabilitation schemes are being carried out in areas wrested from the Reds. General Chiang Kai-shek has given orders to the new Kiangsi Commissioner of Civil Affairs, Chu Hui-ping, to make a detailed and thorough survey of the whole province, but especially of the formerly communist-infested areas. Mal-administration is to be dealt with severely, and likewise foul play or graft on the part of magistrates. The Vice-Minister of Education, Chien Chang-chao, has been summoned to organize a complete course of instruction in the stricken areas, the minimum of twelve primary schools in each county having been agreed upon.

Northern troops continue to pour into Nanchang. Airplanes in formation fly over the city. Motor cars transporting army officers speed along the streets. On October 3, General Pang Ping-hsiung, recently connected with the General Feng Yu-hsiang-Kalgan affair, accompanied by General Chiang Pen-cheng, passed through Hankow en route to Nanchang to interview General Chiang Kai-shek, chairman of the Military Affairs Commission. With the formidable array of military men concentrated in one center, and with the improved military equipment, something is sure to happen soon. General Chiang Kai-shek has predicted that the Reds will have been completely routed and disbanded by Christmas this year.

With the closing in Hankow of the conference on rehabilitation of former Red-occupied territory in Honan, Hupeh, and Anhui, General Liu Chen-hua, the Bandit Suppression Commissioner for the three provinces returned to Kwangchow, southeastern Honan, on October 3. Plans perfected in conference with General Chang Chun, chairman of Hupeh provincial government, have been approved by Generalissimo Chiang.

Honan south of the Lung-Hai Railway about 100 li and east of the Peking-Hankow Railway 30 to 100 li, appears to be the happy hunting grounds of upwards of 10,000 roaming hordes of bandits, allegedly under Red leadership. Luyi, a hsien city in northeastern Honan, thoroughly looted three weeks ago, was again threatened on the 1st of October, all foreigners, a family of three, evacuated to Pochow, Anhui. Government troops from Kaifeng in the north and from Yencheng, on the Peking-Hankow Railway, have succeeded in causing the bandits to flee hurriedly, leaving most of their kidnapped gentry behind. General Liu Chen-hua's staff reported that the through highway from Hankow to Kwang-chow was completed but for a bridge across the Kwang-tu River, and that the road traverses territory often in the past held by the Reds. Evidently there is to be a concerted action taken on all fronts against all Reds in Central China. Motor roads are going to play a leading role in this connection. China of today is fast learning from ancient Rome.

Reds Active in Ichang Region

General Hsu Yuan-chuan, Hunan-Hupeh Border Bandit Suppression Commissioner, has left Ichang, on the Yangtze for Shihnan, a hsien city to the south, recently threatened by Bandit Chief Ho Lung's roving hordes. Due to muddy roads, General Hsu had only reached Lung-hsiang-ho on the 4th October, but expected to reach Shihnan by the 8th inst. The Reds are cutting capers in this part of the province once again.

The Pacification Commissioner of Hupeh, General Ho Chen-chun, acting as General Chiang Kai-shek's representative, on October 1 at Chengtu, Szechuen, inducted General Liu Hsiang into the office of Chief Bandit Suppression Commissioner of Szechuen province. Nanking is backing General Liu Hsiang and trying to make a desperate effort to get someone who will seek to reclaim the one-third of the province now under Red dominion. Latest reports from northeastern Szechuen state that the Reds still hold the following hsien cities: I-lung, Pa-chung, Tung-kiang, Nan-kiang, and that they are just across the river from Pao-ning.

With all these conferences and schemes and inspection tours completed, we should soon begin to see the fire-works. Where so much thought has been expended on elaborate plans something beneficial should result to the Red-harassed areas of Central China, where the common people have, and still are, suffering untold misery at the hands of brutal Reds, and bandits masquerading under the Red flag.

Educational Plan to Rout Reds

General Liu Chen-hua, Hupeh-Anhui-Honan Border Bandit Suppression Commissioner, latterly of Kwangchow, southeastern Honan, recently came to Hankow to confer with Hupeh's new provincial chairman, Gen. Chang Chun, as to the proper measures to take in reconstructing areas taken from the Reds, in northeastern Hupeh. Gen. Liu reports that in the western section of his area, that is the district southeast of Sinyang, Honan, only about 1000 Red troops remain, having been defeated recently by the 64th and 75th Divisions at Fang Chia Hui. Three proposed schemes were suggested to the Hupeh Chairman:

1. The establishment of a Reform School for the captured Red leaders.
2. Children in the primary schools to be taught the horrors of communism as practised in China.
3. Students and laborers to visit the areas devastated by Reds, and to return and report to their neighbors and friends.

Variously estimated at from 5000 to 10,000, the rapacious band of brigands after looting Luyi and Checheng in northeastern Honan province, have apprently turned to the southwest and under the leadership of Brigand Chief Huo Kuo-tung are heading for Yencheng on the Peking-Hankow Railway. Just recently they were within 30 li of this city, where they had captured the village of Kweitsun. Refugees have since been pouring into Yencheng, and the military authorities have placed guards on the city wall and sandbagged all entrances. No doubt this matter too is being discussed at the meetings of Gen. Liu Chen-hua and Chairman Chang Chun of Hupeh.

The whole Yangtze Valley is agog with anti-Red propaganda. The determination with which the military men affirm their resolve to fight the issue to a finish, augurs well for the future. Moreover, there appears to be a coordinated plan on a Yangtze Valley-wide basis, and the officials in authority give every indication of being loyal to their chief, General Chiang Kai-shek. Since the return of T. V. Soong the wheels seem to be well greased and things are running smoother. With his superior equipment the Generalissimo may not only succeed in annihilating the larger units of organized Red troops in southern Kiangsi, but also bring the recalcitrant Cantonese into a pleasanter mood.

Hankow, October 7, 1933.

New Kiangsu Provincial Government Starts Functioning

Chen Kuo-fu, a member of the Standing Committee of the Central Kuomintang, during the week assumed the duties of his new office as Chairman of the Kiangsu Provincial Government.

Shen Pai-hsien is the new Provincial Commissioner of Reconstruction. In a recent interview he said that as Commissioner of Reconstruction he would devote his efforts to the rehabilitation of the rural districts in the province in accordance with the policy of the Central Government. To this end, he continued, steps will be taken for the conservancy of the Huai River as well as for the improvement of the irrigation system and development of afforestation.

Salt Fields to Be Used to Grow Cotton

A meeting was held at the Ministry of Industry in Nanking recently for the purpose of effecting plans to develop the 13,000,000 mow of salt fields. More than 20 Huai River conservancy experts and representatives from government offices concerned attended. Four resolutions were adopted, among which was a plan to reclaim salt lands for growing American cotton.

An annual income of from $100,000,000 to $200,000,000 will go into the Central Treasury if this part of the valley is to grow American cotton, according the proposal. Estimating an output of 80 catties a mow, the whole tract will yield 10,400,000 piculs a year. At the conservative price of $17 a picul, there will be an annual receipt of $176,800,000. Three years after the salt land has been turned into cotton fields, the same tract can be used for the growing of wheat in the winter season. With the out-turn of 50 piculs each mow, 6,500,000 piculs of wheat may be harvested a year. Selling at the price of $5 a picul, the government may do a business of $2,500,000 annually.

With the realization of some $200,000,000 from the sale of native wheat and cotton raised from the Huai Vally, China will no longer need to ship in any foreign wheat or cotton. This, the resolution says, is not only a great help to 2,500,000 farmers of Kiangsu but also vital to the development of the cotton and flour mill industries.

The contemplated scheme of the Ministry of Finance to reclaim of salt fields along the Huai River Valley ha no conflict with a somewhat similiar resolution passed by the Huai River Salt Field Reclamation Conference summoned by the Ministry of Industry according T'ang Cheng-po, secretary of the Shinyeh administration.

The *Shun Pao* says the first batch of American cotton, which arrived here recently, has already been sold.

Dr. Yen and Minister Lo Met in Western Siberia

Dr. Lo Wen-kan, Minister of Justice and Government's High Commissioner to Sinkiang and Dr. W. W. Yen, Chinese Ambassador to Soviet Russia met at Novosibirsk in Western Siberia end of last month, according to a telegram received by the Government from Sinkiang on October 1. Dr. Lo reached Novosibirsk on Sept. 29 and was welcomed at the station by the Mayor of that city. Prior to Dr. Lo's arrival in Russian territory, M. Litvinov, Soviet Commissar for Foreign Affairs, dispatched a telegram to Dr. Lo, officially welcoming his visit to Soviet Russia. The two Chinese officials were the guests of honor at a dinner on September 30 by M. Criavinski, chairman of the Western Siberian Republic. It is reported that Dr. Yen has returned during the week to Moscow, while Dr. Lo is making a trip to Li, eastern Sinkiang, after which he will return to Nanking. In case the southern route should be obstructed, he will return by way of Siberia. In view of the complicated nature of the Sinkiang problem, Dr. Lo has dispatched a secretary, Feng Yu-chen, to Nanking to submit a report to the Central Authorities.

The latest threat of civil war in Sinkiang has been averted, as General Ma Chung-ying, the rebellious Mohammedan leader, has called off his campaign and ordered his forces to be withdrawn to Turfan, as a result of the mediation of Dr. Lo and other peace-makers. The understanding between General Ma Chung-yin and General Sheng Shih-tsai is that the Bandit-suppression Headquarters for the Eastern Route in Sinkiang, of which General Ma is the Commander, which has hitherto been under the Defense Commissioner's Headquarters of General Sheng, is to be transferred and placed under the direction of Sinkiang Provincial Government.

In view of the importance of the North-west to National defence, a report from Nanking on October 2 stated that the General Staff Department had recommended to the Central Government the despatch of a high official to Sinkiang to direct the authorities in the enforcement of national defence measures so as to remove the future menace to the Northwest. The General Staff Department, it is learnt, has also recommended to the Central authorities the despatch of military attaches to be stationed in the Chinese Legation at Washington and in the Chinese Embassy at Moscow.

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"China Can Be Unified by Reconstruction"

To the Editor, *The China Weekly Review*:—

Referring to Paul K. Whang's article "Can China be Unified by Reconstruction?" in your issue of August 12, will it be in order for a foreigner to comment on the subject?

The comment or criticism here made is not intended as a slur on any one party or on the Chinese generally; but is made merely to show what an outsider considers most necessary during the present chaotic conditions.

Mr. Wang's statement "Since China is known as a Republic, the Chinese Government, therefore, must abide by the wish of the people," I believe, sums up all arguments for or against any proposed developments, political or otherwise, I am therefore taking this as the starting point, and will here ask a very pertinent question. "If the Government must abide by the will of the people, is it not the duty of the people as a whole to express their opinions, as to what is wanted and then wholeheartedly back the Government and/or party which most nearly represents that opinion?

I personally believe it is. However, do the Government get this support, or is any party getting such support? The impression I get is that this is not the case. Most people seem to be willing to leave it all to the government, so long as things go well. If, however, things go wrong then they all criticize and complain; but, no one seems to be very keen on doing anything else. Governments are after all composed of the same kind of men which constitute the rest of society, and are therefore fallible, to the same extent that all other peoples are, and are therefore, entitled to whatever support and trust that the people are ready and willing to give. If the people are not giving them the support to which they, as representatives of the people, may be entitled, how can the people blame them for failing? It seems to me, therefore, that the people themselves are as much to blame, or even more so?

Wang Ching-wei's statement, "Force as a means of achieving unification is a most insecure measure etc.," may be considered true to a certain extent. No government, however, can succeed without exerting force of some kind. A weak government, or I should say a government not backed by sufficient force, has never been a success as any student of history can see. Even our communist idealists find it necessary to use force, more severe even than any of the so-called imperialist powers, and certainly more autocratic than even the late Tsarist Government. The strength of such force, whether military or police, will generally depend on how law abiding the people are, except of course in special circumstances such as wars or revolutions, when special measures must be taken to meet the needs of the moment.

In order to succeed, this force should in normal times go hand in hand with reconstruction, as well as political and economic readjustment?

Owing to the chaotic conditions in this country at the present time, no political party or group can possibly succeed in unifying the whole country, unless they obtain support from all classes to a much greater extent than any present political party has so far been able to get? The remedy, therefore, seems to lie in the hands of the people? They should get together and back one party to the *ultimate limit* and should make them sufficiently strong to impose their will on all so-called independent military satraps. Unless, of course, they prefer to allow the professional politicians to muddle along until it is too late to take any action? As a matter of fact; if things are allowed to drift along much longer, as at present, in my opinion it will not be long before the communists will be strong enough to dominate the other political parties, as they seem to be the only party with any decided program, and who excercise complete control over its members? Self-interest should, therefore, compel the other people who are not communists, to take decided action as a measure of self-protection; if no nobler motive could be found which would actuate them.

Hand in hand with the military development should go construction of roads and bridges, as well as other means of inter-communication; which would facilitate military operations as well as economic developments. Only in perfecting the one will it be possible for the other to succeed, as conditions are at present. In this connection. I believe, I am correct in saying that if Kiangsi, Hunan, Kwangsi and Fukien had properly developed highway systems and centrally located air-fields, the suppression of communists and bandits would be a fairly simply matter? This applies to all provinces of course, I merely mentioned these as they are most troubled by communists at the present time.

Much has been written and said about disbandment of troops; but why disband them? This is merely throwing a lot more well trained men into the hands of the bandits and communists. After all, these men must live and a starving man will do a lot to fill his belly. Why not organize them into "Labor Battalions"? This is not a new idea by any means; but it is an idea which both provincial and Nanking governments should very seriously consider. All of these men are used to a certain amount of discipline and should be easier to handle than a lot of raw, untrained coolies. Also, in case of need, they could be quickly re-organized into fighting units.

Why not use all surplus troops for construction of roads, bridges and canals as well as other communication systems? Engineers could be assigned to these battalions to plan and direct the work, and I believe China has many young Engineers who would be only too glad to obtain employment in their own professions? Roads could be started from Nanking, Wuhu, Ngankin, Nanchang and other centrally located points simultaneously, not to mention Hankow. Wuchang. Yochow and Changsha as well as other points such as Hsuchowfu, Kaifeng, Chengchow, Chumatien and Sinyangchow.

I realize of course that such development work will take a lot of time, as well as money, and that no doubt these factors will be criticized; but, can anything be done without the necessary time or money being expended?

I am of the opinion that other developments would follow quickly; if good communications were developed. Without good communications private capital will necessarily be limited, as no one would care to invest private capital unless conditions and communications were such that a fair return on the investment could be seen.

The first duty of the government, therefore, should be to develop communications, as rapidly as financial conditions will permit, so as to encourage private capital, and the people's duty should be to see that this is done, and they should then assist the government as much as possible.

There should be no doubt in any one's mind that China can be unified by reconstruction. Any government or party who attempts this, however, must have the whole-hearted support of the people. Merely criticism of the government's mistakes or failures is not enough.

To sum up the situation, therefore, "To succeed complete co-operation is necessary between the people and the government."

VIKING.

Chungking, Sept. 25, 1933.

Hubert S. Liang Explains Manchurian Situation to Canadian Editors

Hubert S. Liang, a member of the Chinese delegation to the Banff Conference, told the *Montreal Gazette* (Sept. 4) that as a result of the dictatorial military clique of Japan urging immediate war with Russia in the hope of a quick victory before the Russian Government is ready for battle, and with Russia patiently waiting to strike a blow at Japan—the whole issue being centred in the Manchurian situation—war in the Far East, affecting the whole world, is a certainty unless immediate action is taken to check the Japanese military leaders.

Interviewed by the *Toronto Mail* Mr. Liang said:—"There can be no peace until the Manchurian problem is settled, no order. Until its restoration, China will do everything possible to get it. Young China is militant, spurred by the desperate thought that this is the only way to get Manchuria back."

Flour Mills Hit by Depression, Consider Scheme to Help Labor

In order to relieve the situation caused by 8,000 flour mill workers having been thrown out of jobs at eight flour mills in Shanghai, which lately ceased operation owing to the depression, the flour mill proprietors are now considering a plan to operate by turn, once in eight days for each factory. The factories which are now closed are Foh Sin No. 7 Mill, employing 5500 workers, Fu Fung Mill with 1500 workers, Sun Da, Lih Ta, and Hwa Feng Mills with 300 workers each and Sing Ta, Chang Hsing and Chung Hwa, with 200 workers each.

Who's Who in China

黃鳳翔字棲梧
Huang Feng-hsiang

Huang Feng-hsiang, editor and publisher; born at Hankow, Hupeh, 1905; received his early education in in mission schools and was graduated from Boone University, Wuchang with B. A. degree *cum laude* in 1927; head of the Reference Department of the National Central University Library, Nanking, 1928; sent to Penang to edit the *Eastern Courier*, an English Weekly by the Central Publicity Department of the Kuomintang in 1929; editor of the *Kwong Wah Yit Poh*, a Penang Chinese daily newspaper, 1930-33; now editor and publisher of the *Min Kuo Jih Pao*, Singapore; address: *Min Kuo Jih Pao*, 70 Robinson Road, Singapore.

黃鳳翔字棲梧，湖北漢口人，年二十八歲，畢業於武昌文華大學，得優等文學士位，曾任南京中央大學圖書館參攷部主任，一九二九年由中央宣傳部派往南洋檳榔嶼主編東方鷰導英文週刊，後調任光華日報總編輯，現任新嘉坡民國日報總經理兼總編輯。

Merchants' Petition Suggests Purchase of Shanghai Telephone Campany

In a petition to the Ministry of Communications, the Greater Shanghai City Chamber of Commerce requests that, in accordance with the precedent established by the Eastern Extension and Great Northern Cable Agreements, negotiations be started with the Settlement authorities in Shanghai for the restoration to the Chinese Government of the right to operate the telephone service within the confines of the Foreign Settlements. The petition points out that the Land Regulations contain no provisions for the right of permanent operation of a public utilitty enterprise by foreign interests in the Settlements. Complications in connection with the service such as the proposal of the Shanghai Telephone Company for a further increase in telephone rates and the refusal of the Company to cancel the 5 cent toll for communication with the Chinese city, which has already been abolished by the Chinese authorities, are cited in the petition. In order to arrive at a fundamental solution of the problem, the petition suggests that preparations be made to purchase the assets of the foreign-operated telephone service in Shanghai.

National Lottery Administration Would Ban Other Lotteries

As a move in its campaign against the operation of unauthorized lotteries, the National State Lottery Administration has requested all local foreign newspapers to refrain from publishing announcements advertising foreign lotteries and premium bonds. Publication of such announcements, it is pointed by Loy Chang, director general of the Administration, would constitute contravention of the laws of China, as the conduct and operation of all lotteries and similar undertakings in China unauthorized by the Chinese Government is illegal. The International Savings Society is especially exempted from the proposed restrictions.

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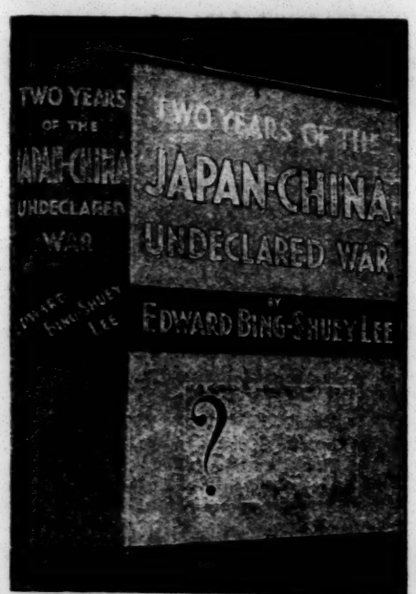

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CHINA WEEKLY REVIEW

38 Avenue Edward VII.

Men and Events

T. Yoshida, the Japanese Consul-General at Canton, has been transferred to the Foreign Office in Tokyo. He has been replaced by Shigeru Kawagoye.

The Central Government has decided to store up surplus stocks of rice in public granaries with a view to raising the price.

The two newly constructed Chinese river gunboats, *Weining* and *Suning*, were formally launched on October 10 at the Kiangnan Dockyard.

General Ma Chan-shan, the most outstanding figure in the Chinese resistance to Japanese aggression in Manchuria, has decided to live in retirement in Tientsin.

Frank Lee, former vice-minister of foreign affairs, proceeded to Warshaw last week to take up his duties as Chinese minister to Poland and Czechoslavakia.

Mrs. Phyllis Duffill was married to Gregor Merrill, American vice-consul at Yokohama, Sept. 29. Dr. H. B. Benninghoff performed the marriage service.

The death occurred a Los Angeles, California, Sept. 27, at the age of 77, of Dr. James Dickson, former professor at Tokyo Imperial University.

The Cunard Steamship Line has opened an office in the Sassoon Arcade, Shanghai. C.M. Squarey is in charge of the office.

In the absence of General Chen Yi, vice-minister of war, General Tsao Hao-sen, the administrative vice-minister of war, is in charge of the Ministry of War.

A crisis in local Chinese flour mills has been created by the sudden suspension of work by eight leading Chinese flour-mills as the result of the severe business depression.

A set of general principles for the guidance of Local Government in the compilation of their budgets was passed at the 33rd meeting of the Legislative Yuan in Nanking Oct. 8.

Atholl D. A. MacGregor, Attorney-General of Kenya, has been appointed Chief Justice of the Supreme Court at Hongkong. Sir Reginald Edward Stubbs, Governor of Cyprus, has been appointed Governor of Ceylon.

Preparations are now being made for the establishment of a new long-distance telephone-line between Shanghai and Nanking along the Shanghai-Nanking highway. The cost is estimated at $500,000.

Hsu Mo, Vice-Minister for Foreign Affairs, will shortly proceed to Europe on an inspection trip of the Chinese Legations and consulates in that continent. His expenditure is temporarily fixed at $30,000.

General Wang Yi-chih, former commander of Marshal Chang Hsueh-liang's bodyguards, arrived in Nanking, Oct. 6 from Kiangsi where he conferred with General Chiang Kai-shek.

Chao Chu-kan, chief of the national highway section of the National Economic Commission, announced at Nanking Oct. 6 that the Commission is planning the construction of 22,000 kilometers of highways.

Habibullah Khan, the first Afghan Minister to Japan arrived in Tokyo beginning of the week. Closer trade relations between Japan and Afghanistan are being urged by the Afghan envoy.

Admiral Yamamoto, the Japanese naval commander who is here inspecting the Japanese warships, gave a party in honor of Chinese naval officers on his flagship October 6.

General Han Fu-chu, Chairman of the Shantung Provincial Government, returned to Tsinan October 3 after an extensive inspection tour in Eastern Shantung. According to General Han conditions in Eastern Shantung have much improved compared with his last visit.

Tom Clarke, editor of the London *News-Chronicle*, has resigned on account of a divergence of views with the directors of the journal. Mr. Clarke in his earlier days was on the staff of the *South China Morning Post*, Hongkong.

D. C. Phillips, second engineer of the steamer *Wing On*, was charged with manslaughter in the Central Police Court in Hongkong Oct. 6 as a result of the death of an African from injuries received in a fight with the accused in the Wanchai district on October 5.

Dr. Yuen-li Liang, a well-known Chinese jurist of international law and Counsellor to the Executive Yuan at Nanking, has been appointed concurrently as a Senior Secretary of the Ministry of Foreign Affairs. Dr. Liang recently returned to China from Europe where he had served as a Technical Expert to the Chinese Delegation to the League of Nations, previous to which he was a secretary at the Chinese Legation at Washington.

Dr. Erich Michelsen, newly appointed German Consul-General in Shanghai, was entertained at tea by the Chinese Minister at Berlin, Oct. 9.

Tillman Durdin, managing editor of the *China Press*, who was ill for nearly a month at Chengtu, during a trip of investigation to Szechuen, arrived back in Shanghai during the week, fully recovered.

Non-Aryan journalists and Aryans married to non-Aryans will be expelled from the journalistic profession according to a new law made Oct. 5 regulating the rights and duties of professional journalists in Germany.

The Peiping Palace treasures, which it was recently reported were to be sent back to Peiping shortly, will continue to be stored in Shanghai temporarily in view of the unsettled conditions in North China, according to an official of the Shanghai office of the Museum.

The engagement of Miss Bessie Li Yueh-ching, eldest daughter of Li Ming, chairman of the Bank of China, and Dr. Sze Ming-sze, eldest son of Dr. Alfred Sze, Chinese Minister to the United States, was announced in London October 7.

Chang Nai-yen, Chinese Minister to Belgium, Dr. H. H. Chang, Minister to Portugal, and Liu Chung-chieh, Minister to Germany, are sailing from Shanghai for their respective posts on November 14 on board the Italian line *Conte Rosso*.

The Ministry of Railways is stated to be giving special attention to measures for enforcing punctuality and efficiency in the through traffic service on the Shanghai-Peiping line, which will be inaugurated about the middle of this month after the launching of the Pukow train ferry system.

The Chinese Government has definitely decided to participate in the forthcoming International Silk Conference which will be held in Paris on October 20. Either Dr. Wellington Koo or Liu Wen-tao, Chinese Minister at Paris and at Rome, respectively, will be appointed Chinese delegate to the conference.

When turning before mooring in the Whangpoo Oct. 7 soon after she and several other vessels of the United States Fleet had arrived from Chefoo, the destroyer *Peary* was caught by the tide and rammed the American flagship *Houston* amidships. The *Peary's* bows were badly crumpled. The *Houston* was only slightly damaged.

The death occurred in New York Oct. 6 of Mrs. Rosalind Chang Sokolsky, wife of George Sokolsky. Mr. Sokolsky was formerly editor of the *Far Eastern Review*, in Shanghai and Mrs. Sokolsky was formerly Miss Rosalind Fung and came from an old family residing in Trinidad.

Wang Tseng-shih, the newly-appointed director of the Archives Bureau of the Waichiaopu in Peiping, assumed the duties of his office during the week. Owing to the financial stringency of the National Government, the monthly budget of the Archives Bureau has been reduced from $2,000 to $1,500.

Replying to an inquiry from General Chiang Kai-shek President of the Military Affairs Commission, Minister Chen Kung-po states that the Ministry of Industry has definitely decided to cancel the agreement entered into by the Ministry with Messrs. Arnhold & Co., of Shanghai, for the sales agency of tungsten ores in Kiangsi province.

Sir Miles Lampson, retiring British Minster to China, made an official farewell call upon Wang Ching-wei, president of the Executive Yuan, beginning of the week. It is understood that the departing minister will stay in the Chinese capital to attend the Oct. 10 celebrations. He is expected to return to Shanghai on Oct. 12 to sail for Egypt where he will assume his new post as British High Commissioner.

The United States Circuit Court of Appeals at San Francisco has upheld the decision given by Judge Milton D. Purdy in the United States Court for China in the case of Woo King-hsun versus Pemberton and Penn, Incorporated. The case was for the recovery of a compradore deposit from Pemberton and Penn, Inc. Judge Purdy's judgment was in favor of Pemberton and Penn.

The case of the two Austrian doctors, Serbousek and Biza, on a $100,000 fraud charge, in the Second District Court of Shanghai, has taken a new turn. In a civil action filed last week asking for the recovery of the $100,000 which the camplaintant Wong declares was to have been used for the erection of a hospital, the defendants are charged with fraud and betrayal of confidence. Items set forth include the claim that $9,000 in banknotes has been located in a local foreign consulate in the name of Dr. Serbousek.

Dr. Frederick William Norwood of the London City Temple will visit Shanghai early next year in the course of a world tour. He is at present in India.

U.S. Senator McAdoo, who is now in Paris en route to U.S.A., after a visit to Soviet Russia is quoted as being favorably disposed toward recognition of the Soviets.

The death occurred last month in San Francisco of James L. Butts, who conducted the "Smiles From the Mixed Court" column in the *China Press* a decade ago.

Leon Friedman of China Motors has departed on a business trip to the United States, following which he will proceed to Europe where he will spend the winter, returning to China next spring.

The marriage took place in Shanghai Holy Trinity Cathedral Oct. 9 of Clarence R. Chase of the Shanghai branch of the Chase National Bank to Miss Sally Dickinson of Charlestown, West Virginia.

A Nanking telegram to the *China Times* states that the Anhuei Provincial Government will shortly be reorganized and the present Chairman General Liu Cheng-hua, will be replaced by General Ho Yao-chu, Deputy-Commissioner of the Board of General Staff.

Walter Bosshard, correspondent in China for the German *Ullstein Press*, has just returned to Peiping from an extensive trip to Kokonor. Mr. Bosshard traveled from Sianfu to Lanchow, then to Kokonor and the Kumbun monastery and finally on a sheep-skin raft down the Hoang-ho.

The "almost desperate need" for recruits for missionary work in the Far East in addition to other parts of the world, was stressed by Sir Robert Williams, chairman, and the Reverend W. W. Cash, general secretary, of the Church Missionary Society in London, Sept. 28 on the occasion of a farewell to 246 missionaries who are shortly going overseas.

B. C. Pond, associate secretary of the Army and Navy Department National Council Y. M. C. A. (U. S. A) and Miss Pond were entertained at the Shanghai Navy Y. M. C. A. October 6. Mr. Pond is making a tour of China. He arrived in Shanghai recently after visiting Y. M. C. A. branches in North China.

M. Speelman, managing-director of the International Savings Society and of the Canidrome in the French Concession, is prosecuting his house-servant in the Chinese Court and asking for compensation for $5,000, allegedly wrongly obtained by the latter by making out false bills and incidentally supplying boiled water as "Vichy."

Wilbur Burton, special correspondent of *The Baltimore Sun* in the Far East and a frequent contributor to the *China Weekly Review*, who has spent the past five months in South China, Indo-China and Yunnan, has returned to Shanghai for an indefinite period. Articles by Mr. Burton on Oriental affairs appear in the latest issues of *Asia* and *Current History*.

De-son Sze, son of Dr. Saoke Alfred Sze, Chinese Minister to the United States, has been appointed a member of the staff of the London office of the Chase National Bank of New York. De-son Sze was graduated from Cambridge University last spring. Miss Betty Sze, a daughter of Dr. and Mrs. Sze has entered Cheltenham Ladies College in England for the present school term.

The Japanese Consulate at Shasi, in Hupeh Province was reopened October 2. The Consulate had been closed for one year and eight months since the Shanghai incident. The Japanese Foreign Office is also considering the reopening of its Consulate at Chungking, in Szechuen. The Consulates at Chengtu, in Szechuen, and Chengchow, in Honan are not expected to be reopened for the present.

The American Chamber of Commerce of Shanghai has sent a resolution to President Roosevelt protesting against the failure of the National Industrial Recovery Act to exempt China Trade Act corporations from the taxes thereby imposed and that Congress be requested to so amend said Act as to restore China Trade Act corporations to the same equal position heretofore enjoyed by such corporations in competition with tax-free foreign competitors.

Suit for divorce has been filed in California by Bruce R. Vazeille against his Shanghai bride, the former Miss Susan Mildred Willingham, whom he married three months ago. The couple were married at the Union Church in Shanghai on June 23, and as the result of a quarrel which took place five days later they returned to the United States by different boats. Mr. Vazeille charges cruelty and states that he has made several efforts towards reconciliation but had been repulsed.

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Jimmy's

212 Szechuen Road

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Open all Night

ONLY A FEW COPIES LEFT

The *Review* still has on hand a few copies of the following books dealing with Pacific and Far Eastern Affairs:

"Problems of the Pacific" by Bruno Lasker; standard book of reference for those interested in the complicated affairs of the Far East .....Price M.$15.00

"Symposium on Chinese Culture," by Sophia Chen Zen .....Price M.$ 7.50

"Essays on the Manchurian Problem," by Shuhsi Hsu .....Price M.$ 7.50

Add 25-cts. for postage in China or $1.40 if to be mailed abroad.

THE CHINA WEEKLY REVIEW

38 Avenue Edward VII
Shanghai

CUSTOMS NOTIFICATION NO. 1322

In accordance with Government instructions, the attention of the public is hereby drawn to the following modification in the method of classifying goats' hair and goats' wool pickings on export abroad:

(1) Goats' hair pickings containing not more than 10 per cent. of goats' wool are to pay duty according to Export Tariff heading No. 176.

(2) Pickings containing more than 10 per cent. of goats' wool and valued at less than $30 per picul are also to pay duty according to Export Tariff heading No. 176.

(3) Pickings consisting of more than 10 per cent. of goats' wool and valued at more than $30 per picul are to pay duty according to Export Tariff heading No. 188.

This ruling will be enforced as from the 4th October, 1933.

H. O. Tong,
Superintendent of Customs.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 5th October, 1933.

New Books of Interest in the Far East

An Anthology of Juridical Thinking

Wu & Liang, Essays in Jurisprudence and Legal Philosophy, published by the Comparative Law School of China.

An important and timely contribution to the study of juristic thoughts that have ever been attempted in China, the "Essays in Jurisprudence and Legal Philosophy", selected by Dr. John C. H. Wu and Mr. M. C. Liang, is as unique in the legal world as the American publication of the modern legal philosophy series. A collectanea of eminent jurists, like Holmes, Pollock, Ehrlich, Cardozo, Vinogradoff, Cook, Stammler, Roscoe Pound, Wurzel, Jerome Frank, and John Wu himself, the volume covers the judicial field, "panoramic in scope and microsopic in intensity", ranging from the meaning of law, analysis of legal concepts, the end of law, the problem of natural law, the relations between law and other mental and social disciplines to the nature of judicial process.

To clothe abstract legal philosophy in elegance of style sounds something like a contradiction in terms; but the volume under review convinces us that they are quite compatible. Even a layman can be entertained to a most delicious vibration that ever thrilled along his heart-strings.

In view of the World's attention toward China's judicial reform, the compilers are to be congratulated in bringing out this valuable production, which aims to remove the root causes of judicial deficiencies. Hitherto, the Chinese outlook on juristic learning had been insular. The value of the study of comparative jurisprudence, so auspiciously initiated by the Comparative Law School of China, of which Dr. Wu is the principal, has, fortunately, now come to be recognized by all intelligent Chinese. At this juncture, too, when China is making an effort to assimilate western ideas in its theories if legislation and the administration of justice, the presentation is equally remarkable.

Without some fundamental basis of action, or theory of ends, according to a famous critic, all legislation and judicial interpretation are reduced to an anarchy of uncertaintly. "It is like mathematics without fundamental definitions and axioms." The compilers think that "since philosophy is the science of general ideas—analysing, restating, and reconstructing concrete experience—we can direct out powers as fruitfully upon law as we have done upon other fields."

Many lawyers, Chinese in an especial degree, have stepped into their profession, almost wholly untrained in the technic of legal analysis and legal science in general. Hence, nothing but crude results can we expect from such ill preparation. The volume before us seeks to familiarize Chinese law students with what has been done by the great modern thinkers abroad, so that they may catch up with the general state of learning on the subject.

From page to page of the book the juristic Muse waxes eloquent. Dr. Wu tells us that law is a plastic art of organising the life of man. Like music, it is proportion, ordered arrangement by which the beauty of justice is made to emerge, disentangled from the merely individual and accidental, and thus lifted to its true significance. "Justice is beauty as applied to human relation; beauty is justic as applied to the phenomenal world." Another critic says, "To the lover of the law, how small a thing seem the novelist's tales of the loves and fates of Daphnis and Chloe! How pale a phantom even the Circe of poetry, transforming mankind with intoxicating dreams of fiery ether, and the foam of summer seas, and growing greensward, and the white arms of women! For him every text that he deciphers, every doubt that he resolves, adds a new feature to the unfolding panorama of man's destiny upon this earth."

An instructive lesson to the juristic community is delivered by Sir Joshua Reynolds. Says he, "Every opportunity, therefore, should be taken to discountenance that false and vuglar opinion, that rules are the fetters of genius; they are fetters only to men of no genius; as that armor, which upon the strong is an ornament and a defence, upon the weak and mis-shapen becomes a load, and cripples the body which it was made to protect." Was it not Lord Mansfield who said, "I never like to entangle justic in matters of form, and to turn parties round upon frivolous objections where I can avoid it. It tends to the ruin and destruction of both."

H. Y. L.

America from the Philosopher's Point of View

Contemporary Idealism in America. Edited by Clifford Barrett. McMillan Company, New York. $2.00 (U. S.)

This is the most recent contribution of America in the field of philosophy. No doubt the rationalists, both of America and the continent, will not be found in agreement. But while it may not be reasonable to expect agreement between different schools of philosophy, greater harmony might reasonably be hoped for between adherents of the same school.

In defining the philosopher as an inquirer, Mr. Barrett goes on to say in his Introduction, "The richest legacy bequeathed by the classic philosopher to his successors in not a doctrine to be proclaimed, but a method and spirit for furthering the enlargement of human understanding. . . While knowledge remains incomplete, and the conquest of mind continues, new issues will require new interpretations, and new ideas will be gained at the cost of old." It is precisely in its method and spirit, as this reviewer understands it, that Idealism differs from Realism or Pragmatism or other distinct schools. Idealism has a profound trust in the supremacy of reason over the irrational. It has a confidence in the ultimacy of value and rationality in the universe which inspires enthusiasm in the prospect of what has and what may be achieved by human thought. The idealist tradition is thus set forth:

> "It is well at the start to emphasize the fact that idealism is not, in any of its significant expressions, to be identified with mentalism. That is, it is not a doctrine that resolves physical objects into mental states; a doctrine that holds that the things that you see out there in space are in reality just bundles of feelings, groups of sensations, states of consciousness, within the mind. We cannot even state such a doctrine without assuming that we do, to begin with, know things as distinct from our impressions. . . The idealist keeps intact the distinction between subjective and objective, and views spatial experiences as the experiences of real objects in space, and not as feelings or sensations having their being in some mysterious way out of space altogether and in the mind. He holds that Nature's laws and ways and processes are what they are, and not what we in our ignorance may fancy them to be; that things do not come into being in coming to be known; that Nature is not created anew with every revolutionary discovery in science; that we must obey Nature to conquer her, must patiently interpret and not impatiently anticipate her."

The various treatises in the book on "The Continuity of the Idealist Tradition," "The Ontological Argument," "The Philosophy of Spirit," "The Principle of Individuality and Value," "The Finite Self," "God and Cosmic Structure," "The Theory of Moral Value" and others are all by America's leading professors of philosophy,—George Herbert Palmer of Harvard, Charles M. Bakewell of Yale, William Ernest Hocking of Harvard, G. W. Watts Cunningham of Cornell, Joseph Alexander Leighton of Ohio State, and others. One of the finest bits of genuine idealism in the book is the Delication to Josiah Royce, and a chapter of tribute to this great philosopher of three universities—California, Johns Hopkins and Harvard.

G. T. F.

Life on the Rim of the Arctic Circle

Man Of Two Worlds, by Ainsworth Morgan.—The Bobbs-Merrill Company, $2.00.

Few tales come to us of life on the rim of the Arctic circle; fewer still do more than skim the surface of that life, leaving untouched the basic traditions and mental processes of the Eskimos. "In "Man of Two Worlds" the author, with rare skill, carries his readers into the intimate family life of the dwellers of Northern Greenland. The principal character, Aigo, as an infant, is one of two survivors of a colony of twenty-three. The others succumb to the rigors of an unusually severe Arctic winter. Through him the reader is made familiar with the customs and reflections of the Eskimos.

Aigo eventually is taken to England where he comes in contact with a world hitherto contemplated only through brief acquaintances with traders and explorers.

His reaction to the world he finds abroad achieves a dramatic climax.

Aside from the drama of this tale, the book is worthwhile for its fund of information concerning tribal customs and practises, and the conditions of life in the Greenland outposts. Here is adventure and excitement of a type strange and fantastic to the effete urbanite.

E. F. C.

Neither Fiction Nor a Cook Book

"Strange News From China," by Townley Searle; published by Alexander Ouseley, Ltd., London.

"Strange Newes From China" is supposed to be a first class Chinese cookery book, as indicated by Townley Searle, but is the fictional outcome of a pilgrimage along Piccadily, and the reader finds it unconvincing as fiction or a cook book. Too many romantic Chinese tales are being written about China after-the-style of this book. Perhaps the author will find an appreciative audience in England or on the Continent—or it may have a consuming interest to the author's personal friends—but those who reside in China will find most of it much-a-do about nothing. The author has a certain descriptive power and decidedly a vivid imagination.

The menus for the Chinese food which can be procured along Piccadily are fantastically illustrated with sketches and supposed to be translations from old Chinese proverbs. If all the Chinese cooks are aware of these proverbs then they may be forgiven for some of their lack of art in the culinary department. One-hundred and one Chinese recipes are given, but only a few are recognizable to the reviewer. However, Chinese restaurants abroad have adapted their dishes to suit the foreign taste.

To sum it all up then, it seems a strange book, entirely different from any first class cookery book, the reviewer has ever chanced upon.

M. C. P.

Edgar Snow Writes Book Entitled "Far Eastern Front"

Edgar Snow, correspondent for *Consolidated Press* who is now residing in Peiping, is the author of a new book entitled "Far Eastern Front," which has just been published by Harrison Smith and Robert Haas, New York. The book deals largely with Sino-Japanese politics in the past two years and includes colorful chapters dealing with the Japanese intervention in Manchuria and at Shanghai. Mr. Snow also is the author of an article dealing with Far Eastern politics under the title, "The Decline of Western Prestige," which appeared recently in the *Saturday Evening Post*.

Forces Underlying the Nazi Revolution

Foreign Policy Reports for July 19 is devoted to a discussion of "Forces Underlying the Nazi Revolution" by Mildred S. Wertheimer. The author says that measures adopted by the Nazis are envisaged by them as the means of making Germany a great power again, securing its "equality" with other nations, freeing it from the "fetters" of the peace settlement, and eventually regaining the territory and population lost at the end of the World War.

Admiral Yamamoto Inspects Japanese Naval Landing Party

Admiral Yamamoto, the official representative of the Japanese Emperor, inspected the new barracks of the Japanese Naval Landing party at the corner of North Szechuen road and Kiangwan road on the morning of Oct. 7, following which a special review of the men of the landing party took place in Hongkew park under the command of Vice-Admiral Sugisaka, commander of the Japanese Naval Landing party in Shanghai. Admiral Yamamoto inspected the march past.

Sham Battle Staged by 1,800 Japanese in Yangtszepoo

At dawn on Sunday October 8, 1800 men of the Japanese Landing Party, equipped with tanks, machine guns and artillery, and using barbed wire entanglements and sandbags, engaged in maneuvers, including a sham battle. Admiral Yamamoto, Major-General Sugisaka, and members of his staff, witnessed the operations from the roof of the Japanese primary school in Pingliang Road. The "battlefield" was vacant ground in the Pingliang Road district near the Japanese school. Notices in Chinese had been posted the previous day that the maneuvers would take place. The Chinese populace was assured that the shots to be fired would be blank and that the fighting was only make-believe.

In the United States Court for China

In Bankruptcy

In the matter of

H. S. HONIGSBERG & SON, Fed. Inc., U.S.A., Bankrupt.

In Bankruptcy

To the creditors of H. S. HONIGSBERG & SON, Fed. Inc., U.S.A., of Shanghai, China, a bankrupt.

Notice in hereby given that on the 6th day of September, 1933, the said H. S. HONIGSBERG & SON., Fed. Inc., U.S.A., was duly adjudicated bankrupt and that the first meeting of said corporation's creditors will be held at Shanghai, China, in the Court Room of the United States Court for China, on the 24th day of October 1933, at 9:30 o'clock in the forenoon, at which time the said creditors may attend, prove their claims, appoint a trustee, examine the bankrupt, and transact such other business as may properly come before said meeting.

JAMES M. HOWES
Referee in Bankruptcy.

9 October, 1933.

"To Your Health!"

Of all toasts this is the most popular, for good health is the greatest of life's blessings.

The best safe-guard of good health is regularity of the daily habit. If through neglect, or other cause, you have become remiss, a few Pinkettes to-night at bed-time will help you to start to-morrow right. After that an occasional dose, taken when needed, should be all that is necessary to keep you regular, 'fit' and happy.

Laxative perfection, Pinkettes gently but surely stimulate the liver, banish bilious attacks, sick headaches, depression; ensure pure breath and a clear skin. They also relieve piles. Chemists everywhere sell Pinkettes.

The National City Bank of New York, Rates of Exchange

	Shanghai, Oct. 11, 1933.
Demand selling rate on America:	U.S. $100=Sh. $335.43
Demand buying rate on America:	U.S.$100=Sh. $331.26
Demand selling rate on London:	£1.0.0=Sh. $ 15.67
Demand buying rate on London:	£1.0.0=Sh. $ 15.42

New Municipal Building Dedicated with Great Pomp and Circumstance

Amidst scenes of festive mass enthusiasm and glittering martial splendor, the new magnificent Greater Shanghai Municipal Administration Building at the Civic Center in Kiangwan was officially dedicated on the occasion of the 22nd Anniversary of the Founding of the Republic, Oct. 10, before a distinguished gathering of Chinese and foreign officials. Mayor Wu Te-chen of Greater Shanghai Municipality officiated at the inauguration ceremony which was marked with great pomp and circumstance and attended by upwards of 20,000 people. The ceremony was initiated at 10 o'clock with music played by the Public Safety Bureau Band and the raising of the National and Party Colors, accompanied by a long salvo of fireworks and the roaring of aeroplanes encircling over the Building. Then, Mayor Wu performed the ceremony of opening the main doors of the Building and the unveiling of the memorial tablet to Dr. Sun, which was followed by Kuomintang rites. After that, Mayor Wu delivered an inaugural address, in the course of which, he thanked the presence of the many guests and outlined the scheme of the construction of the Greater Shanghai Municipality. Finally, climaxing the elaborate ceremony, was a grand military review of the Shanghai Peace Preservation Corps, the Police Force, Boy Scouts, Merchants' Volunteer Corps, fire brigades and decorated vehicles for the boosting of national products, which passed in file before the Mayor and other high officials of the Greater Shanghai Municipality.

Of noble proportions, the new municipal structure is built after the patern of former imperial palaces and its exterior is typical Chinese in architectual design, from the great sweep of the grand stairway leading to the main doors to the beautifully carved and colored upper walls and the tiled and up-curving roof. Inside Oriental decoration has been combined with Western utility. In the center of the Main Hall, stands the memorial tablet to Dr. Sun Yat-sen, in whose spiritual presence, Kuomintang rites in future will be held. Looking at a distance, the new Municipal Building presents a gorgeous appearance and its vivid color combinations make it stand out in particular brilliancy in the center of open green fields, as yet unoccupied. The new structure is four story in height and occupies many *mow* of land. On the two sides of the Administration Building, two plain new buildings have also been completed which will house the various Bureaus of the Greater Shanghai Municipality. It is anticipated that decoration and furnishing of the several buildings will be completed before end of the year and the Greater Shanghai Municipal Government is scheduled to remove from its present premises to the new quarters on Jan. 1, 1934.

Mayor Wu in his inaugural address paid a tribute to the co-operation and assistance of local Chinese leaders and nationals of Foreign Powers in restoring peace and order in Shanghai after the War, thus enabling the resumption of construction work on the new Municipal Building. However, he said he could help recalling the painful experiences of the past months and, mindful of his heavy responsibilities and the expectations of the people, he had always remembered the distress of the people and planned for the rehabilitation of the war-devastated areas. Explaining the origin of the new municipal edifice, he said that the building up of a Greater Shanghai had been effected in accordance with the program of reconstruction laid down by Dr. Sun Yat-sen. The creation of a Civic Center is the first step towards the realization of the plans for the establishment of a Greater Shanghai and the construction of the Municipal Buildings, the starting point for the establishment of the Civic Center. Then, he eulogized the services of the former three Mayors, Gen. Huang Fu, Gen. Chang Tan-fan and Chang Chun for the steady progress of the city to its present stage. Continuing, he said that in the comprehensive plans for the development of Greater Shanghai, the present new structures could only be regarded as a modest beginning. However, bordered as it is by Woosung in the north, the Foreign Settlements in the south, the Whangpoo River in the West, the new city occupies an excellent central location and has a great future in store for it. Finally, the Mayor appealed to the people of Greater Shanghai for continued support and co-operation in the execution of the planned program of reconstruction and "in making Greater Shanghai the pre-eminent city that Man and Nature have destined it to be."

The ceremony was attended, besides a large number of Chinese officials and business leaders, also by a representative gathering of foreign representatives. Practically, all the foreign consulates in Shanghai were represented and there was also a large attendance of the foreign naval and military officers, among whom many Japanese were in evidence.

National Independence Day Celebrated at Nanking

A service in commemoration of National Independence Day was held at Central Party Headquarters October 10 under the chairmanship of Chu Cheng, President of the Judicial Yuan. Recalling in a brief address the role he had personally played in the Revolution of 1911, Mr. Chu pointed out three outstanding features of the Revolutionary spirit which had contributed towardf the success of the Revolution. Firstly, Mr. Chu said, the motive of the Revolution was pure and untarnished. Secondly, the Revolutionary comrades were unswerving in their determination. Lastly, they were unanimous in their views. In conclusion, Chu Cheng exhorted the audience to overcome the present national emergency in the same spirit and with the same determination which had made possible the establishment of the Republic.

Distress and Humiliation

Recalling the events of the past two years which have led to the occupation of a section of national territory by the enemy, the *Sin Wen Pao* deplored that the nation has to pass another anniversany of National Independence this year in distress and humiliation; whether the next anniversary would be more cheerful or distressful, would depend entirely on China's own efforts. Continuing, the journal criticized some of China's more conspicuous national defects: laziness and selfishness. To rectify them, it urged that the entire nation should redouble their efforts in their search for knowledge; and in order to overcome the present emergency the nation should sink personal and factional differences and become united.

National Athletic Meet Held at Nanking

The National Athletic Meet began at Nanking October 10, when over 1,000 athletes representing all provinces and municipalities contended for national athletic supremacy. A feature of this year's meet is the participation of Manchurian athletes, representing Liaoling, Kirin, Heilungkiang, Harbin and Jehol, despite Japanese occupation. In order to encourage their participation, it is understood that a part of the expenses of the Manchurian representatives are being paid by the Government. Two thousand five hundred Nanking school children participated in the mass drill before the opening meet.

Lin Sen, Chairman of the National Government, General Chiang Kai-shek and Wang Ching-wei, President of the Executive Yuan, were the honorary president and vice-presidents respectively of the meet, which is being held in the million-dollar new stadium in the Mausoleum Park.

The Peiping contingent of athletes selected by the local athletic federation for participation in the national track and field meet consisted of about 100 members.

According to information from local Chinese circles, more than two thousand field and track stars, representing 41 provinces and municipal districts, participated. Of this number there were 703 women participants. Shanghai had the largest delegation, with 175 members.

Chinese Boy Scouts Act Bravely

A feature of the Oct. 10 celebrations at Nanking was the National Athletic Meeting. Details of the sports will have to be held over until next week. The Chinese Boy Scouts covered themselves with glory in this connection. Long befere the meet opened, the stadium was filled to overflowing with 50,000 people, while over 60,000 more were outside trying to crash the gates.

Shortly before noon, when Nanking school-children entered the stadium to give an exhibition of Chinese boxing, the mob, taking advantage of their opportunity, through the main gates being open, rushed into the field. Several women and children were trampled underneath the feet of the crowd, but the Boy Scouts bravely fought their way through the mob and escorted the injured to first-aid quarters.

Japanese Complicity in Mongolian Autonomy Agitation Confirmed

Japanese complicity in the present agitation of disgruntled and misled Mongolian leaders for autonomous Government in Inner Mongolia has been definitely confirmed, according to reports received at Nanking from various quarters during the week. Teh Wang or Prince Teh, leader of the Movement, is in close touch with the Japanese and conspiring for the realization of their plotting. As a condition of inducement to Prince Teh, it is said that the Japanese have agreed to return the Mongolian territory which the Japanese are now occupying in Charhar and Jehol to the Mongolian Autonomous Government on condition that the Government be established at Linhsi, an important Mongolian City in Northwestern Jehol. The Japanese plotters are reported to be arranging a meeting of the Mongolian Princes at Dolonor on Oct. 25 to discuss future relations between China and Mongolia. Simultaneous with these reports, it is revealed that a Japanese Investigation Party is travelling in Inner Mongolia on an undisclosed mission. After the trip, the Party will return to Linhsi to confer with the Mongolian leaders.

The Government received a report from Kalgan on Oct. 1, stating that the Mongolian Princes under the leadership of Prince Teh have decided to organize a Political Council for Inner Mongolia with Prince Teh himself as Chairman. The matter is now under investigation. Gen. Sung Chi-yuan, Chairman of Charhar, wired the Government on Oct. 5, reporting that the situation in Inner Mongolia is becoming increasingly serious as a result of the present agitation by the Mongolian Prince Teh and urging that the Government should immediately dispatch a Commissioner to Kalgan to pacify the Mongolians.

Gen. Huang Shiao-hsiung, Minister of Interior and Chao Pei-lien, Vice-Chairman of the Mongolian and Tibetan Affairs Committee, have been appointed by the Government as Pacification Commissioners to Inner Mongolia in connection with the Mongolian agitation for autonomy. They are leaving immediately on the mission. Interviewed, Mr. Chao declared that after arriving at Charhar, the first step to be taken would be the setting up of a special bureau to prepare for local autonomy. He said that the duties of the mission would include investigation of existing conditions in Inner Mongolia, direction of preparations for autonomy, and improvement of various productive enterprises in Mongolia.

Wang Ching-wei, President of the Executive Yuan, gave a reception to the Mongolian repesentatives at Nanking on Oct. 9, at which he explained the Government's attitude towards the autonomy movement in Inner Mongolia. He urged the solidarity of the five ethnic units constituting the Chinese Republic and regretted that owing to external aggression and natural calamities the Government had not been unable to pay so much attention to the welfare of the Mongols as it wished.

Wu Hao-lin, director of the joint office of the Mongol Leagues in Nanking, together with five other representatives of the Mongol leagues and the Kokonor Mongols, was received by Wang Ching-wei, on Oct. 9. Mr. Wang enquired from them about the details of the autonomy movement in Inner Mogolia. Interviewed after the meeting, Mr. Wu said that he had received a telegram from the Mongol princes asking for autonomous powers which would not conflict with the Central Government. He added that the telegram also urged the government to despatch high commissioners to Mongolia.

Japanese Allege Chinese Are Agitating Against Kailan Mines

A *Rengo* message from Tientsin dated Sept. 27 printed in the *Japan Times* stated that the long drawn-out dispute between the British Kailan Mining Administration and the Chinese citizens of Chinwangtao over the lease of land and houses had assumed an alarming aspect when the citizens handed to the administration a vigorous resolution blaming it for lack of faith.

Fearing that failure to reach a compromise will result in grave consequences, the Japanese message stated that the British Legation in Peiping had dispatched an official to Chinwangtao to mediate between the two parties.

LATEST INFORMATION

If you are interested in China you must be interested in the latest developments in the following fields:

		In China (Chinese Currency)	Abroad (U.S. Currency)
1.	China's Diplomatic Relations (1931-1932: A Survey) ..... By Minchen T. Z. Tyau	.90	$ -.50 cts.
2.	China's Industrial Development: Its Problems and Prospect ..... By C. L. Nieh.....	.90	„ -.50
3.	Chinese Government Economic Planning and Reconstruction since 1927 ..... By Gideon Chen.....	.90	„ -.50
4.	The Distribution of Population and Land Utilization in China... By W. H. Wong	.90	„ -.50
5.	The Position of China as a Producer of Raw Materials and a Consumer of Manufactured Products ..... By Djang Siao-mei ...	.90	„ -.50
6.	The Present Agrarian Problem in China .... By Chen Han-seng ..	.90	„ -.50
7.	Rural Industries in China ..... By H. D. Fong	.90	„ -.50
8.	Facing Labor Issues in China ..... By C. H. Lowe	$2.70	„ 1.25
9.	Shanghai Industrialization; Report based on investigations of China Institute of Economic and Statistical Research, National Government Directorate General of Budgets, Ministry of Industries, National Tariff Commission, Shanghai Bureau of Social Affairs and Chaotung University, by D. K. Lieu	$1.15	„ -.60
10.	Silk Reeling Industry in Shanghai: Based on extensive survey by the China Institute of Economic and Statistical Research, made from May to July, 1931, supplemented by second survey during the same months of 1932, covers quality of silk produced, productive capacity of filiatures, number of reels, etc., by D. K. Lieu	$2.15	„ -.95

These pamphlets ranging from 12 to 200 pages were written by Chinese specialists in their respective lines. They were prepared for presentation at the Conference of the Institute of Pacific Relations at Banff, Canada. Those desiring copies, should send their orders with draft or postal money-order attached to the undersigned.

THE CHINA WEEKLY REVIEW

38 Avenue Edward VII

Shanghai.

Real Estate Review of the Central District by Realty Investment Company

Construction work has been started on several new buildings in the Central District during the past month. The buildings that have been under construction for some time are progressing very nicely. Rentals continue to be good and very few vacancies are to be found in this area. There has been very little trading, but this is undoubtedly due to the enormous value of the land in this district.

Building Activities:

At the corner of Ave. Edward VII and Honan Roads, a large new building is under construction. This building will contain foreign shops.

On Ave. Edward VII near the Great Shanghai Hotel, a new three story building is under construction, while on Rue Tourane just off Ave. Edward VII the foundations are in for a new building. Algar & Company architects.

The buildings at the corner of Hankow and Thibet Roads have been demolished during the past month.

Piles are being driven of the new building being built for the Wing On Company on Hoopeh Road near Nanking Road. There is also a large building under construction at the corner of Hankow and Hoopeh Roads, which will contain hongs and shops. This building is a block long.

On Nanking Road, between Thibet and Lloyd Roads, piles are being driven for the large new Sun Department Store. Back of this at the corner of Ningpo and Lloyd Roads another new building is under construction.

Latest New York Stock Exchange Quotations

Market—Steady Business Done 1,140,000 Shares

October 11, 1933

1932-3 High	1932-3 Low	Div.$ per Sh.	STOCKS	Mon. Oct. 9	Tue. Oct. 10
18¼	1⅝	—	Adams Express	9	8¾
32	7⅜	.60	Alaska Juneau	24⅞	24½
142¾	42½	6.00	Allied Chemical & Dye	142¼	140
97½	29⅝	4.00	American Can	95¼	93⅞
19⅝	2	—	American & Foreign Power	9⅝	10¼
44⅞	5	—	American & Foreign Power 7% Pfd.	20	21
12¼	1¼	—	American & Foreign Power Warr.	Unq.	6¾
23⅝	1¼	—	American Metal Co.	19¼	18½
53½	5⅛	—	American Smelting	44½	42⅞
137¾	69¾	9.00	American Telephone & Telegraph	121	119¾
94¾	44	5.00	American Tobacco "B"	86½	86
43⅛	11	1.00	American Waterworks	23½	24¾
22⅞	3	—	Anaconda Copper	16⅛	15½
18⅝	4⅛	—	Atlas Corporation	12⅝	13
151¾	28¾	2.00	Auburn Automobiles	49½	49
37⅞	3⅜	—	Baltimore & Ohio	28⅜	27½
49¼	7¼	—	Bethlehem Steel	35⅛	34¾
43⅛	19	1.60	Borden Company	24⅛	22⅝
21⅝	3⅜	—	Borg Warner	16	16
20⅞	7¼	—	Canadian Pacific Railway	13⅝	13⅝
103½	16¾	—	Case, J. I.	70⅞	69½
47⅞	19	1.40	Chase National Bank	22½	23⅛
52⅛	4⅞	2.00	Chesapeake Corp.	39½	39¼
51⅜	5	.50	Chrysler Corp.	45½	45½
28⅛	4⅛	.80	Columbia Gas & Electric	14⅝	14¼
7⅝	1⅜	—	Commonwealth & Southern	2½	2½
68¾	31½	3.40	Consolidated Gas of N. Y.	43⅝	43⅝
19½	3⅝	—	Continental Oil	18	17⅞
90½	24¾	3.00	Corn Products	89½	89⅞
7½	1¼	—	Coty Inc.	4½	Unq.
4⅜	⅞	—	Curtiss Wright Company	2½	2½
18⅝	5	.75	Douglas Aircraft	14¼	14¼
85¾	22	2.00	Du Pont de Nemours	78¾	78
89¾	35¼	3.00	Eastman Kodak	78	78
42	5	6%S	Electric Bond & Share	19	19¼
16	2¾	—	Electric Power & Light	7½	7⅝
18½	15	—	Fox Film	16⅜	16¼
10¾	2⅞	—	General Aviation	Unq.	7
30¼	8½	.40	General Electric	20⅝	20⅝
40½	19⅝	1.80	General Foods	36½	36
34⅞	7⅝	1.00	General Motors	30⅞	30
49¼	6¼	1.00	General Railway Signal	Unq.	35
27⅝	8¼	*.20	Gold Dust	20⅜	20⅜
47½	5¼	—	Goodyear Tire & Rubber	35	35⅝
40	3⅝	—	International Cement	29½	29⅞
46	10¾	.60	International Harvester	38⅝	38½
22⅝	3½	—	International Nickel	20½	19½
21¾	2⅝	—	International Telephone & Telegraph	13⅜	13⅝
60⅜	10	—	Johns Manville	56½	57⅞
26	4⅞	—	Kennecott	22⅜	21½
79⅝	30¼	2.40	Lehman Corporating	Unq.	69¼
99	34¼	*4.00	Liggett & Myers, "B"	97¾	97
87¾	31½	1.00	Loew's: Inc.	32¾	32¼
25½	9	1.20	Lorillard P. Co. (Com.)	21	21
46¾	12	1.00	McIntyre Porcupine	41½	40¾
28⅞	3½	—	Montgomery Ward	21¼	20⅝
64½	19⅝	1.00	National City Bank (bid price)	24¾	24⅞
124⅞	18	—	National Distillers	104	102½
58½	8⅝	8%S	New York Central	40¼	39⅝
45½	13¾	2.00	North American Company	20	20⅜
96¾	12	2.00	Owens Illinois Glass	82	80
87	16⅞	2.00	Pacific Gas & Electric	21	21½
6⅞	1½	—	Packard Motors	4	3⅞
42½	6½	.50	Pennsylvania Railroad	30½	30¼
6½	1	—	Pennroad Corporation	3½	3⅜
18¼	2	—	Phillips Petroleum	16⅜	16½
13½	2½	—	Radio Corporation	7⅝	7⅝
7⅝	1	—	Radio-Keith Orpheum	2⅝	2⅞
54	26½	3.00	Reynolds Tobacco "B"	50¾	50½
47	9⅞	—	Sears Roebuck	42½	41¼
11⅝	2½	—	Shell Union	8¼	8
15½	5¼	—	Socony-Vacuum Corp	12¼	12¼
32¾	15¾	2.00	Southern California Edison	19½	19¾
34¼	5½	—	Standard Gas & Electric	11¼	12½
48⅝	19⅞	1.00	Standard Oil Co., of N. Jersey	44¼	43
63	54¼	—	Sterling Products	59½	Unq.
13¾	1½	—	Studebaker	5½	5⅜
29¾	9¼	1.00	Texas Corporation	27¼	26½
41	12	1.00	Texas Gulf Sulphur	39	38⅝
9½	2½	—	Trans America	6¼	6¼
51⅞	15¼	1.00	Union Carbide & Carbon	45	43⅝
132	27⅝	6.00	Union Pacific	114	112
44⅝	6½	—	United Aircraft & Trans.	38⅞	38
14½	3½	—	United Corporation	6¼	6⅝
25	9¼	1.20	United Gas Improvement	17⅛	17¼
25	1½	—	U. S. Rubber	17¼	16⅞
67½	21¼	—	U. S. Steel	48¼	47¼
51½	11	*2.40	Universal Leaf Tobacco	48	Unq.
36¼	5¼	—	Vanadium	22	22½
8⅞	½	—	Warner Bros. Pictures	8	7¾
88¾	15⅝	—	Westinghouse E. & M.	38	37¼
50⅞	22	2.40	Woolworth	40⅞	39¾

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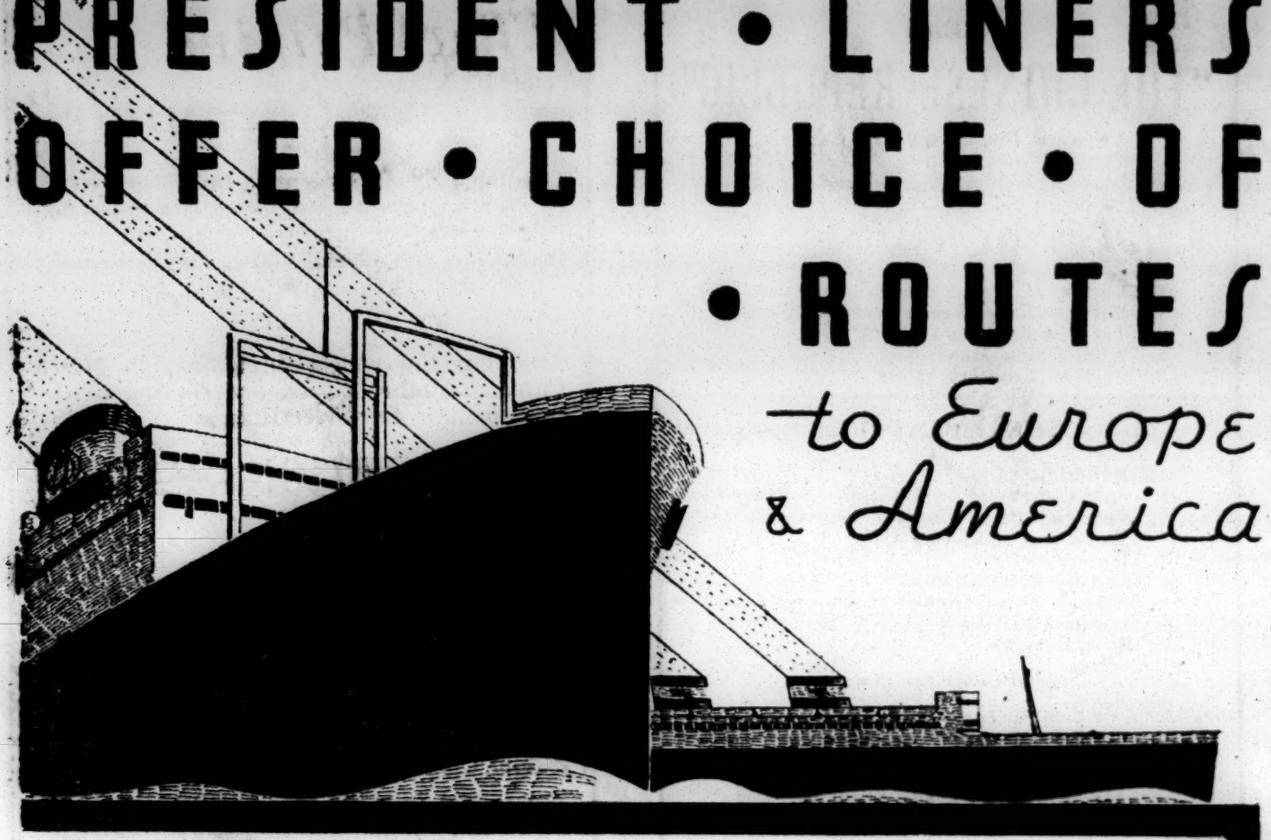

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